

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1772-02
Bill No.: SB 436
Subject: Elementary and Secondary Education Department; Children and Minors;
 Disabilities
Type: Original
Date: February 27, 2007

Bill Summary: Modifies provisions relating to the First Steps Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$14,709,667)	(\$14,720,295)	(\$14,722,064)
Total Estimated Net Effect on General Revenue Fund	(\$14,709,667)	(\$14,720,295)	(\$14,722,064)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Part C Early Intervention Pilot Program Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds*	\$0	\$0	\$0

* Offsetting Transfer In and Out: FY 2008 \$58,964; FY 2009 \$69,592; FY 2010 \$71,361

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact to the SOS office for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Department of Insurance, Finance, and Professional Regulation** and the **Office of State Treasurer** state this proposal will have no fiscal impact on their agencies.

Officials from the **Department of Social Services** states this proposal will have no fiscal impact to their agency since the program is operated by the Department of Elementary and Secondary Education.

§160.900 through §160.930

Officials from the **Department of Elementary and Secondary Education** state this portion of the proposal will have no fiscal impact on their agency or on local school districts.

Oversight assumes, based on § 160.900 through §160.930 (Enacted 2005 - SB 500) and §162.700, (As amended with SB 834 in 2006), that the First Steps Program will sunset on August 28, 2007, unless reauthorized by the General Assembly. The General Revenue appropriation has been as follows:

FY 2005	\$10,169,590
FY 2006	\$12,658,181
FY 2007	\$14,650,703
FY 2008 (Budget)	\$14,650,703

Other funding sources for the First Steps Program will not be impacted, so long as the program is reauthorized. **Oversight** will assume level funding for the next three years. (*§ 160.930*)

ASSUMPTION (continued)

Officials from DES provided the following assumptions regarding the Part C Early Intervention Pilot Program:

§160.931

This section of the proposal would create a pilot program in a specific First Steps Southwest System Point of Entry Region (SPOE 7/Southwest in the Joplin area) allowing the SPOE to hire one or more service providers or to allow the SPOE to contract with boards created under Sections 178.900 to 178.960. Such providers shall provide services only to those areas identified by the SPOE as being under served due to lack of providers. The contracting board referenced above appears to be the Sheltered Workshop board. The statutory charge of the Sheltered Workshop board does not provide for a handicapped birth to three population. Therefore the workshop board would not be able to furnish therapy providers to the First Steps system.

The First Steps System tracks “No Provider Available data” as entered by each individual SPOE region. “No Provider Available data” from SPOE Region 7/Southwest indicates the following:

There are eleven counties in Region 7. As of 1/31/07, there were 526 separate therapy authorizations required by IFSP for 163 children. 20 authorizations out of the 526 authorizations were not completed in a timely manner (though most of these authorizations will be eventually completed) due to a lack of providers. Currently there are 15 First Steps Occupational Therapy (OT) providers; 16 Physical Therapy (PT) and 35 Speech/Language providers in SPOE Region 7 for First Steps or a total of 66 provider types as identified in this proposal to serve 163 children having 526 authorizations for service. If all 163 children required OT services, the provider/child ratio would be slightly less than 11:1 (163/15). If all children required speech, the ratio would be less than 5:1. The data above reflects an unduplicated service provider count by county. There appears a willingness by providers to work across county lines.

20 authorizations out of 526 (3.8%) could not be completed in a timely manner though most of these 20 authorizations will eventually be completed.

Authorizations in SPOE 7 that could not be completed while being few in number are somewhat equally spaced throughout the region and would typically not require a full-time provider of OT, PT or speech. However, based on the language of this proposal, DES assume would appear that three specific providers would be required to cover these 20 authorizations. In addition, one

ASSUMPTION (continued)

additional provider would have to be included in this mix of providers in order to accomplish the goals of Part C, which is to increase family capacity as opposed to providing strictly therapy services. This additional position which must be a component of the “team” structure is the Special Instructor.

Oversight assumes the proposal indicates the southwest system point of entry would hire one or more providers if necessary and those providers shall provide services only to those areas identified by the system point of entry as being under served due to lack of providers. Based on information supplied by DES, **Oversight** assumes this area is not under served.

§169.032

This section of the proposal creates a pilot program with new state funding to allow the Greater St Louis Regional Interagency Coordinating Council (RICC), located in SPOE 1 (St Charles County and St Louis City) to hire a child-find coordinator to conduct child-find activities within the region to combat the “assumption” that the First Steps system is not identifying all eligible children. There is no data available to identify the correct “child served” percentage for the state of Missouri or in any of the ten SPOE regions. The lead agency currently has a contract in place for the development of a statistical model that will provide the lead agency with a method to identify the “reasonable” number of children First Steps should be serving based on the states eligibility criteria. Until this study is completed, there is no way to know when a “child find” process has identified the proper number of children. Until this statistical model is complete, there is no way (apart from opinion or best guess) to determine if the First Steps system is under serving birth to three children in this program.

DESE assume one-time costs for staff requirements in the identified pilot projects.

Hire one (1) Speech Pathologist to serve 3 authorizations in a timely manner
Hire one (1) Occupational Therapist (OT) to serve seven (7) authorizations in a timely manner
Hire one (1) Physical Therapist (PT) to serve eight (8) authorizations in a timely manner
Hire one (1) Special Instructor to serve with the additional therapy staff
Hire one (1) Child Find Coordinator

Oversight assumes the only staff required per this legislation is that of a "Child Find Coordinator".

DESE assumes §162.700 will require a significant increase in paperwork for school districts to monitor and comply with the provisions as stated in this section of the proposed bill.

LMD:LR:OD (12/02)

ASSUMPTION (continued)

Oversight assumes the administrative duties created by this section can be accomplished with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost</u> - Department of Elementary and Secondary Education - Funding for First Steps Program (§ 160.930)			
	(\$14,650,703)	(\$14,650,703)	(\$14,650,703)
<u>Cost</u> - DES - Personal Costs for pilot program (§ 160.932)			
Personal Service - Child Find			
Coordinator	(\$38,865)	(\$47,803)	(\$48,999)
Fringe Benefits	(\$12,954)	(\$15,933)	(\$16,331)
Equipment and Expense	(\$7,145)	(\$5,856)	(\$6,031)
	<u>(\$58,964)</u>	<u>(\$69,592)</u>	<u>(\$71,361)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$14,709,667)</u>	<u>(\$14,720,295)</u>	<u>\$14,722,064</u>
Estimated Net FTE Change for General Revenue	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
PART C EARLY INTERVENTION PILOT PROGRAM FUND			
<u>Transfer In</u> - General Revenue - Pilot Program (§ 160.933)	\$58,964	\$69,592	\$71,361
<u>Transfer Out</u> - Disbursement for Pilot program expenses (§ 160.933)	<u>(\$58,964)</u>	<u>(\$69,592)</u>	<u>(\$71,361)</u>
ESTIMATED NET EFFECT ON PART C EARLY INTERVENTION PILOT PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2008 (10 Mo.)	 FY 2009	 FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§ 160.930

This proposal removes the reference to sunset of Section 162.700, RSMo, that appears in the existing Section 160.930.

§ 160.931

The Department of Elementary and Secondary Education shall implement a pilot program requiring the Southwest System Point of Entry (SPOE) to hire by January 1, 2008, one or more providers of early intervention services under the First Steps Program. By December 31, 2007, the contract for the Southwest SPOE shall be altered for the purpose of allowing the SPOE to either contract with SB 40 Boards for providers of early intervention services or to directly hire

DESCRIPTION (continued)

providers of early intervention services. Such providers shall only serve those areas identified by the SPOE as being under served due to lack of providers.

By September 1, 2009, the Southwest SPOE shall conduct a study of the effect of hiring the providers under this act and submit the study to the Department, the State Interagency Coordinating Council and the General Assembly.

§ 160.932

DES shall implement another pilot program allowing the Regional Interagency Coordinating Council (RICC) of the Greater St. Louis SPOE to hire a child-find coordinator to conduct the child-find requirements of the First Steps program. The child-find coordinator shall be hired, selected, and employed by the RICC of the Greater St. Louis SPOE by January 1, 2008. By September 1, 2009, the Greater St. Louis SPOE shall conduct a study on the effect of hiring the child-find coordinator and submit the study to DES, the State Interagency Coordinating Council and the General Assembly.

§ 160.933

This proposal establishes the "Part C Early Intervention Pilot Program Fund" for implementing the programs.

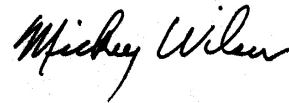
The provisions of the pilot programs shall expire on September 1, 2010.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 1772-02
Bill No. SB 436
Page 9 of 9
February 27, 2007

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Insurance, Finance, and Professional Regulation
Department of Social Services
Office of Secretary of State
 Administrative Rules Division
Office of State Treasurer



Mickey Wilson, CPA
Director
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