

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3364-03
Bill No.: SCS for SB 747 & 736
Subject: Alcohol; Crimes and Punishment; Drugs and Controlled Substances; Elementary and Secondary Education
Type: Original
Date: February 11, 2008

Bill Summary: The proposal modifies various provisions relating to substance abuse.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

- 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 2009	FY 2010	FY 2011
Local Government	(Up to \$6,130,000)	(Up to \$6,130,000)	(Up to \$6,130,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Coordinating Board for Higher Education, Department of Corrections, Department of Health and Senior Services, Department of Public Safety – Missouri State Highway Patrol**, and the – **Director’s Office** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DESE cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. Therefore, the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

DESE officials report that per the 2006-07 Missouri State High School Activities Association (MSHAA) Participation Survey, as of February 1, 2007, there were 175,229 participants in various categories of high school athletics.

DESE estimates the cost for a test kit and clinical analysis to be \$100 to \$200. The proposal does not indicate how often “random” testing is to occur or to what extent the population is to be tested. Assuming all students are tested for each category of high school athletics, the total cost per year could be estimated as follows:

175,229 student athletes x \$100 = \$17,522,900
175,229 student athletes x \$200 = \$35,045,800

ASSUMPTION (continued)

If 50% of the students are tested, the costs could range from:

$$87,615 \text{ student athletes} \times \$100 = \$8,761,500$$
$$87,615 \text{ student athletes} \times \$200 = \$17,523,000$$

DESE reports, per MSHAA staff, there were 9,316 participants in various categories of state championship-level high school athletics.

DESE estimates the cost for a test kit and clinical analysis to be \$100 to \$200. The proposal does not indicate how often “random” testing is to occur or to what extent the population is to be tested. Assuming all students participating in championship-level athletics are tested for each category of high school athletics, the total cost per year could be estimated as follows:

$$9,316 \text{ student athletes} \times \$100 = \$931,600$$
$$9,316 \text{ student athletes} \times \$200 = \$1,863,200$$

If 50% of the championship-level students are tested, the costs could range from:

$$4,658 \text{ student athletes} \times \$100 = \$465,800$$
$$4,658 \text{ student athletes} \times \$200 = \$931,600$$

DESE states the proposal indicates MSHAA shall cover the costs of championship-level testing. DESE cannot determine where the ultimate source of funding may lie.

Oversight assumes that many students participate in more than one sport. For fiscal note purposes only, Oversight will assume that 30% of the students participate in more than one sport and that 25% of the students will be randomly selected for drug testing. Oversight also assumes the cost for use of controlled substances, including anabolic steroids, could be up to \$200 per test. Costs are calculated as follows: 122,600 student athletes x \$200 per drug test x 25% selected for testing = \$6,130,000. Oversight is reflecting the cost as a range up to \$6,130,000 per year because the proposal allows, but does not require school districts to randomly test student athletes. Oversight also notes that student drug testing programs have been congressionally authorized as an acceptable use of Safe and Drug-Free Schools money through the No Child Left Behind Act of 2001. Other federal and private grant programs may be available for funding student drug-testing programs. The fiscal note does not reflect any MSHAA costs because the proposal states MSHAA shall cover the costs of the post-season testing.

ASSUMPTION (continued)

Oversight assumes any increase or decrease in fine or penalty revenues generated cannot be determined. Therefore, the fiscal note does not reflect any fine or penalty revenues for the local school districts.

Officials from the **Department of Revenue (DOR)** assume the proposal could have an administrative impact on their agency. The proposal eliminates the first offense from appearing on the driver record. ITSD will need to create a new action type that will allow the bureau to know that an action (first offense) occurred so the second and subsequent action can have the appropriate action shown on the driver record and assess the correct number of days for the second and subsequent offense.

DOR assumes the testing this legislation would require will be absorbed in a normal workday process.

In response to a similar proposal from the 2007 Session (SCS for SB 555 & 38, LR # 1106-04), officials from the Department of Revenue assumed the proposal will not have an impact on their agency; however, it could have an impact on how the data is stored on the driver record. There may be minimal programming required by IT that could be absorbed. Therefore, **Oversight** assumes DOR could absorb any additional costs incurred as a result of passage of this proposal.

Officials from the **Office of the 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 for this proposal 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.

ASSUMPTION (continued)

Officials from the **Office of Prosecution Services (OPS)** assume this proposal would have a direct fiscal impact on county prosecutors from an increase in the number of cases referred for prosecution. In the absence of any estimates of the number of additional criminal cases that would be referred to county prosecutors for charges because of this proposed legislation, it is not possible to provide estimates concerning the extent of any fiscal impact. Additionally, OPS is not able to establish a workable estimate of the number of additional criminal cases that would be referred to county prosecutors for charges, though it is not believed that a significant number of additional criminal case referrals would result from this proposed legislation. OPS assumes this proposal would not have a significant direct fiscal impact on the Office of Prosecution Services.

Officials from the **Office of the State Public Defender (SPD)** assume this new crime will require more SPD resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional appropriations for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

Oversight assumes the Office of the State Public Defender (SPD) could absorb the costs of the proposed legislation within existing resources. Oversight assumes any significant increase in the workload of the SPD would be reflected in future budget requests.

In response to a similar proposal from the current session (SB 736, LR # 3522-02), officials from the **Parkway School District** stated the cost to their district would depend on what is tested for and what percentage of students are tested. Assuming \$70 per test x 750 athletes (25% of 3,000), the cost to their district would be \$52,500.

In response to a similar proposal from the current session (SB 736, LR # 3522-02), officials from the **Frances Howell School District** stated their district already has a random drug testing program for students in grades 9-12. Anabolic steroids are screened for on a random basis, not with every drug screen. Last year, they tested 660 students, and about 10% of those included a test for anabolic steroids. The proposed legislation calls for all random screens to include an anabolic steroid test. The cost for an anabolic steroid test is about \$175. Last year their district spent \$33,000 on random drug testing. The inclusion of anabolic steroids in all tests would add another \$105,000 to that cost.

In response to a similar proposal from the current session (SB 736, LR # 3522-02), officials from the **St. Louis Public School District** assumed significant costs are attached to drug testing and assume this will be a cost to their district.

ASSUMPTION (continued)

Officials from the Columbia Public Schools, Kansas City Public Schools, Mexico Public Schools, Nixa Public Schools, and Sedalia Public Schools did not respond to Oversight’s request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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POLITICAL SUBDIVISIONS

Costs – School Districts

Testing student athletes for controlled substance use, including anabolic steroids	(Up to <u>\$6,130,000</u>)	(Up to <u>\$6,130,000</u>)	(Up to <u>\$6,130,000</u>)
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	(Up to <u>\$6,130,000</u>)	(Up to <u>\$6,130,000</u>)	(Up to <u>\$6,130,000</u>)
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Section 167.628 of the proposed legislation allows school boards to adopt policies for the random testing of students participating in interscholastic athletics for the unlawful use of a controlled substance, including but not limited to anabolic steroids. The proposal requires the Missouri State High School Activities Association (MSHSAA) to conduct random testing of ninth through twelfth graders participating in post-season athletic play or athletic tournaments. MSHSAA will report a positive test to the local prosecutor.

FISCAL DESCRIPTION (continued)

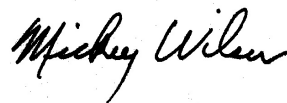
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Coordinating Board for Higher Education
Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Corrections
Department of Health and Senior Services
Department of Revenue
Department of Public Safety
 – Missouri State Highway Patrol
 – Director's Office
Office of Prosecution Services
Office of the Secretary of State
Office of the State Public Defender
Francis Howell School District
Parkway School District
St. Louis Public Schools

NOT RESPONDING

Columbia Public Schools
Kansas City Public Schools
Mexico Public Schools
Nixa Public Schools
Sedalia Public Schools



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