

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0887-01  
Bill No.: HB 236  
Subject: Children and Minors: Disabilities; Education, Elementary and Secondary;  
 Elementary and Secondary Education Department  
Type: Original  
Date: February 9, 2009

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Bill Summary: Requires school districts to allow certain students with disabilities to participate in graduation ceremonies after four years of high school attendance.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

According to officials from the **Office of Secretary of State (SOS)**, 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 fiscal note to the SOS for Administrative Rules is less than \$2,500.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education** state this proposal will have no fiscal impact on their agency. However, this proposal may have negative implications regarding federal funding under No Child Left Behind (NCLB). Graduation rate is a factor in determining whether Adequate Yearly Progress (AYP) is met. The "adjusted cohort" graduation rate defined under NCLB includes only students who graduate with a regular diploma in four years; but there is also an option for states to apply for an "extended year" graduation rate to account for those students who need 5, 6, or 7 years to graduate. As such, if districts are required to allow students to participate in the graduation ceremony and receive a certificate of completion in only four years, and the students do not return to school, they will be considered dropouts and will have a negative impact on the "adjusted cohort" graduation rate. Not meeting the graduation rate could cause the school or district to be identified for Improvement under NCLB which has clearly defined sanctions that could impact them fiscally.

**Oversight** assumes the proposal contains the provision that the certificate of completion will only be issued if the student's individualized education plan prescribes special education, transition planning, transition services, or related services beyond the student's four years of high school. Oversight assumes this will not affect the graduation rate restrictions for NCLB.

Officials from the **Special School District of St Louis County** state this proposed legislation will have little impact on their district. Most of the students they serve receive the services in their home schools and those districts would include them in graduation. Also, expenses associated with graduation are not significant.

Officials from the **Francis Howell School District** and the **Sikeston School District** stated this ASSUMPTION (continued)

proposal would not have a fiscal impact on their respective districts.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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

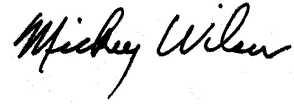
The proposed legislation appears to have no fiscal impact.

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

Department of Elementary and Secondary Education  
Office of Secretary of State  
Administrative Rules Division  
School Districts  
Special School District of St Louis County  
Sikeston  
Francis Howell

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent "M" and "W".

Mickey Wilson, CPA  
Director  
February 9, 2009