

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1475-05
Bill No.: HCS SS for SB 291
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department; Boards, Commissions, Committees, Councils; State Auditor; Higher Education Department; Economic Development Department; Governor and Lieutenant Governor
Type: Original
Date: April 29, 2009

Bill Summary: This proposal modifies various provisions relating to education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$22,381,316 Up to \$58,402,744 to Unknown)	(\$44,339,983 Up to \$86,506,589 to Unknown)	(\$66,321,268 Up to \$108,487,874 to Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$22,381,316 Up to \$58,402,744 to Unknown)	(\$44,339,983 Up to \$86,506,589 to Unknown)	(\$66,321,268 Up to \$108,487,874 to Unknown)

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 89 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Missouri Preschool Plus Grant Program	\$0	\$0	\$0
Gaming Proceeds for Education Fund	(\$7,705,365)	(\$7,705,365)	(\$7,705,365)
Classroom Trust Fund	\$0	\$0	\$0
State School Moneys Fund	\$0	\$0	\$0
Teacher Choice Compensation Fund	\$0	\$0	\$0
Persistence to Graduation Fund	\$0	\$0	\$0
State Road Fund	(\$1,964,000)	(\$3,266,000)	(\$2,377,000)
Missouri Senior Cadets Fund	\$0	\$0	\$0
Highway Fund	Unknown - Less than \$100,000	Unknown - Less than \$100,000	Unknown - Less than \$100,000
Criminal Records Fund	\$1,080,000	\$108,000	\$108,000
Missouri Senior Cadets Fund	\$0	\$0	\$0
Quality Rating System Program Improvement Grant Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(Up to \$6,625,365)	(Up to \$6,625,365)	(Up to \$6,625,365)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Federal Funds	(\$2,331,094)	(\$1,505,484)	(\$1,550,648)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$2,331,094)	(\$1,505,484)	(\$1,550,648)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	78.8 FTE	78.8 FTE	78.8 FTE
Federal	26.47 FTE	26.47 FTE	26.47 FTE
Total Estimated Net Effect on FTE	105.27 FTE	105.27 FTE	105.27 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 2010	FY 2011	FY 2012
Local Government	Up to \$234,881,599	Up to \$235,197,447	Up to \$235,326,465

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development, Department of Labor and Industrial Relations; Department of Mental Health, Department of Insurance, Financial Institutions and Professional Registration, Department of Corrections, State Tax Commission, Missouri Gaming Commission, and the Office of Administration - Administrative Hearing Commission** state this proposal will have no fiscal impact on their respective agencies.

Officials from the **Missouri Senate** state this proposal will either have no fiscal impact as it relates to their agency or minimal costs which can be absorbed by present appropriations.

Officials from the **Office of Prosecution Services** state this proposal will have no fiscal impact on their agency or on county prosecutors.

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

Officials from the **Department of Public Safety - Office of the Director** assume that any costs associated with this proposal can be absorbed with existing resources.

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 proposal. 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.

§30.1010, 30.1014, 37.570, 166.300, 166.391, 166.392, 166.393, 166.394, 166.395, 166.396, 166.397 - Use of stimulus funds for school building renovations

Officials from the **Department of Elementary and Secondary Education** state there is no way to estimate the need for new money for new construction and but it could likely be in the millions

ASSUMPTION (continued)

or billions of dollars. DESE will need one director and one administrative assistant along with related equipment and expense to administer this program. Some IT resources may be needed to develop the needed databases to track grants made and the required compliance.

Due to limited information from DESE, **Oversight** will show no fiscal impact at this time

§37.710, 160.085, 160.261, 160.262, 162.014, 162.068, 162.069, 168.021, 168.071, 168.133, 210.135, 210.145, 210.152, 210.915, 210.922, 556.037 - "Amy Hestir Student Protection Act"

Officials from the **Office of Administration, Department of Mental Health, Department of Corrections, Department of Labor and Industrial Relations, Department of Public Safety – Director’s Office, Office of the State Public Defender, Boone County Sheriff’s Department,** and the **Springfield Police Department** 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 **Office of Prosecution Services** assume the proposal would have no measurable fiscal impact the Office of Prosecution Services or county prosecutors.

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.

Officials from the **Office of the Attorney General (AGO)** identify 3 provisions in this proposal that may result in additional costs to AGO. Section 162.068.2 requires that, if a school employee provides certain information regarding personnel information of a fellow employee (presumably to a potential employer), the AGO would represent the employee providing the information in the event that employee is sued for providing it. Because AGO cannot project the number of cases that could be generated from this provision, AGO assumes that costs would be unknown but

ASSUMPTION (continued)

under \$100,000 per year.

Section 168.071 provides some additional crimes which, if committed by a licensed teacher, would subject the teacher to automatic license revocation. Because the AGO handles these revocation cases before DESE, AGO assumes that this amended section could generate additional cases in the event a licensee commits one of the newly enumerated crimes. AGO assumes that any costs associated with this provision could be absorbed within existing resources.

§556.037 removes the statute of limitations for a criminal prosecutions brought when a person under age 18 is a victim of a sex crime. AGO assumes that, to the extent this change results in more prosecutions and convictions, AGO will have an increase in the number of appeals filed. AGO assumes that any increase in appeals will be modest and can be absorbed within existing resources.

Oversight assumes the AGO could absorb any increased costs generated as a result of the provisions in Section 162.068.2. Oversight assumes any significant increase in the workload of the AGO would be reflected in future budget requests.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume, if a student, who has filed a complaint of sexual abuse against a teacher, feels that they can no longer attend school where that teacher is teaching, then the resident school district would have to contract with another school or school district for that student to attend. DESE may direct the student's ADA be counted in the receiving district resulting in the state money following the student. There may be some increased cost to the resident district even though DESE could have the money follow the student. This should not increase the cost to the state. The student would also be viewed as a resident student for activity purposes.

DESE assumes there might be some increased time by school employees to meet the provisions of this bill.

DESE provided the following information from Office of Administration – Information Technology Services Division (OA – ITSD).

OA – ITSD estimates that in order to accomplish the requirements of this proposal, programming and storage would need to be enhanced within DESE. Automation will be required to share data between DESE, Department of Health and Senior Services, Department of Public Safety, Department of Corrections, and Department of Mental Health. Additional work by the licensure

ASSUMPTION (continued)

staff would be required as well.

Currently the certificated and non-certificated school employees are not always kept in the same data storage area. In order to make this process the most efficient, that would need to change. Because of outdated and unsupported software, a new system would need to be developed to accomplish the goal of verifying all employees are on the Family Care Safety Registry and Access Line (FCSR) system. That system is estimated at \$1.5 million. This system also would accomplish the goal of verifying the appropriateness of Social Security Numbers and gather information from national clearing houses for infractions in other states.

The machines on which the current data are stored are 7 to 8 years old, which is twice the expected life cycle. A new machine would cost \$25,000 and would need upgraded storage capability and licenses at an additional cost of approximately \$5,000. A three to four year replacement cycle is necessary to ensure the integrity of the data on the machine. The cost of this could be averaged out each year to approximately \$9,000 (this includes the replacement and licensing costs).

Due to increased demands on OA – ITSD staff at DESE, it is requested that an additional 2 FTE Computer Information Technician (each at \$40,308 per year, plus fringe benefits) be added to ensure support and future changes to this system receive the attention deserved.

The initial cost of verifying that all school employees are registered in the FCSR will be approximately \$2,205,000 (\$9 per person for 120,000 certified teachers plus another 125,000 non-certified school employees). An annual cost of \$72,000 for an additional 6,000 to 8,000 new hires is anticipated. In order to accomplish these requirements, DESE will require 1.5 FTE administrative assistant (each at \$31,560 per year, plus fringe benefits).

DESE estimates the total cost of the proposal to be approximately \$3.8 million in FY 10, and approximately \$290,000 in subsequent years.

Oversight assumes, pursuant to Section 168.133.3, the applicant shall pay the fee for the state and federal criminal history record checks pursuant to Section 43.530, and Sections 210.900 to 210.936. Therefore, Oversight has not included the cost for the criminal history record checks in the fiscal note. Oversight has included the revenues to the MSHP, which will come from the applicant.

Oversight assumes Section 168.133.4 of the proposal requires DESE to facilitate an annual check of employed persons holding current active certificates against criminal history records in

ASSUMPTION (continued)

the central repository under Section 43.530, the sexual offender registry under Sections 589.400 to 589.475, and child abuse central registry under Sections 210.900 to 210.936. Oversight assumes these required annual checks can be conducted in the manner they are currently being conducted. Therefore, Oversight assumes no information systems upgrades would be required by DESE for the background checks.

Oversight assumes OA – ITSD staff at DESE could absorb any increased duties that would be required by the proposal. Oversight assumes any significant increase in the workload of the OA – ITSD staff at DESE would be reflected in future budget requests.

Oversight assumes DESE would verify school employee registration in the FCSR. Oversight assumes DESE would require 1.5 FTE Administrative Assistants. Oversight has, for fiscal note purposes only, changed the starting salary for the Administrative Assistants to correspond to the second step above minimum for comparable positions in the state’s merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Officials from the **Department of Health and Senior Services (DHSS)** assume the Family Care Safety Registry (FCSR) will be required to process worker registrations submitted by public school staff that have contact with students. This will require approximately 203,436 workers to initially be registered as well as 12,000 staff on an annual basis who are newly hired or who change positions in the public school system. In addition, the Department of Elementary and Secondary (DESE) indicated that it will utilize the FCSR in order to perform the annual screening of certified staff, with local schools responsible for the submission of the annual screening requests for non-certified staff. The electronic method for submission of both registrations and background screenings cannot be implemented for all submissions and the FCSR staff will experience a much higher manual processing workload.

DHSS assumes the provisions in §168.133 will impact Family Care Safety Registry Registrations (a registration is an individual’s initial entry into the Family Care Safety Registry which establishes his/her record and stores the relevant data in the system).

Based on an estimate provided by the Missouri Public School Retirement System/Public Education Employees Retirement System (PSRS/PEERS), there are 78,436 certificated and temporary certificated staff in their active membership. DESE estimates there are 125,000 non-certified public school staff for a total of 203,436 certified and non-certified staff to be registered with the FCSR. Based on information provided by DESE, 4,000 new teachers will graduate in-state annually and an additional 4,000 teachers will move or transfer to Missouri

ASSUMPTION (continued)

schools annually. Based on information from PSRS/PEERS, DHSS assumes that the number of non-certified staff will increase 3.2 percent annually ($125,000 \times 3.2 \text{ percent} = 4,000$). This will require an estimated 8,000 certified staff and 4,000 non-certified staff to be registered with FCSR on an ongoing basis.

The FCSR anticipates there will be an initial effort to register all current certificated and non-certificated employees (203,436) in order to provide background screenings on an ongoing/annual basis. Historically, 30 percent of registrations are performed online and 70 percent are processed manually. Assuming that holds constant, 61,031 individuals will register online resulting in minimal work by FCSR for these registrations. The remaining 142,405 individuals will require manual processing that is more labor intensive. In order to meet the demand for processing registrations, DHSS plans to hire temporary FTEs to process the initial registrations. These staff will not be needed on an ongoing basis since the number of new registrations is estimated to decrease to 12,000 annually after the first year. DHSS estimates each temporary FTE will work no more than 1,040 hours and process 5,000 registrations each resulting in the need to hire 28 temporary FTE ($142,405/5,000 = 28$). Based on \$16.07 per hour in wages for these staff, (HPR II salary) \$467,958 ($28 \times \$16.07 \times 1,040$) in one-time costs will be needed to pay wages for these FTEs. These staff will be housed in existing space, working after hour shifts and using existing equipment and furniture. DHSS will also need one HPR II on an ongoing basis to process the annual 12,000 new registrations related to turnover and new staff entering the public school system.

DHSS assumes the following impact for the Family Care Safety Registry Background Screenings (a background screening is an inquiry made of the Family Care Safety Registry accessing existing records and retrieving data concerning an individual):

DESE is required in §168.133, RSMo to facilitate the annual processing of background screenings to include criminal history, Sex Offender Registry, and child abuse/neglect searches. Previously the Missouri State Highway Patrol (MSHP) processed criminal history and sex offender searches at no cost to DESE. However, MSHP has changed their policy and if DESE continues to utilize the MSHP in this manner, the cost to DESE will be \$930,934 annually ($\$9.00 \times 203,436$). As a result of this legislation, DESE informed DHSS they plan to conduct these annual background screenings using the FCSR as it also incorporates the required child abuse/neglect search. DHSS plans to modify the existing computer software to utilize batch processing in conjunction with the existing web application for the background screening process to expedite processing and minimize the need for additional ongoing staff. DHSS estimates that DESE will utilize the electronic batch submission process to obtain updated screenings on the certified staff. Historically, 10 percent of the screenings submitted through the electronic batch

ASSUMPTION (continued)

processing ($78,436 \times .10 = 7,844$) require review by FCSR staff to determine an accurate match. Non-certified staff of 125,000 will not be batch submitted and will therefore require manual processing. This will require a total of 132,844 ($7,844 + 125,000$) screenings requiring manual processing. DHSS estimates that one HPR II FTE and 0.5 OSA FTE are required to process 12,000 screening manually. Therefore 11 HPR II FTEs and six OSA FTEs ($132,844 / 12,000 = 11.07$ rounded down to 11) will be required to process background screenings annually.

In addition, each individual screened and their employer receives a letter notifying them of their registration, as well as their background screening results. DHSS estimates the mailing of each notification will cost \$0.325 and therefore a request is included for the postage costs associated with the mailing of 861,744 result letters in the first fiscal year of implementation [$203,436$ current staff + $12,000$ new employees = $215,436 \times 4$ letters (a registration letter to the employer and the registrant and a screening letter to the employer and registrant)] and $454,872$ in subsequent years [$(203,436$ current staff $\times 2$ screening letters) + ($12,000$ new employees $\times 2$ registration letters $\times 2$ screening letters)]. A three percent inflationary factor is applied to Fiscal Year 2011 and Fiscal Year 2012 to cover anticipated increase in postage costs.

DHSS provided the following Office of Administration – Information Technology Services Division (OA – ITSD) costs:

Support from OA – ITSD will be needed to modify the existing database used by DHSS, FCSR. The proposed language states the Missouri State Highway Patrol, DHSS, the Department of Social Services, and the Department of Elementary and Secondary Education (DESE) shall develop procedures that permit an annual check of employed persons holding current active certificates under Section 168.021 against criminal history records in the central repository under Section 43.530, RSMo, the sexual offender registry, and child abuse central registry under Sections 210.900 to 210.936, RSMo. DESE shall facilitate the development of procedures for school districts to submit personnel information annually for persons employed by the school districts who do not hold a current valid certificate who are required by subsection 1 of this section to undergo a criminal background check, sexual offender registry check, and child abuse central registry check.

An interface with a web-based system currently in use by the Missouri Highway Patrol will need to be modified. The FCSR plans to verify registration of teaching staff through a batch process. OA – ITSD resources would be required to initially setup the batch process. On-going funds will be needed to complete the task annually once the batch process has been established.

ASSUMPTION (continued)

The following ITSD costs will apply:

COST CATEGORY	FIRST YEAR (10 Months)	ONGOING
Consultant cost for analysis, design development, testing, and implementation of modification needed to collect and store data.	\$71,760	\$3,000
25% FTE - Computer Information Technology Specialist II – to provide project management, development support and administration/maintenance of application.	\$11,920	\$0
Additional State Data Center charges due to increased volume.	\$12,000	\$12,000
TOTAL	\$95,680	\$15,000

Oversight has, for fiscal note purposes only, changed the starting salary for the Health Program Rep II to correspond to the second step above minimum for comparable positions in the state’s merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research. Oversight assumes the FTE would be housed in existing DHSS facilities. Therefore, the fiscal note includes no rent or janitor/trash/utilities expenses.

Oversight assumes §168.133.4 of the proposal requires DESE to facilitate an annual check of employed persons holding current active certificates against criminal history records in the central repository under Section 43.530, the sexual offender registry under Sections 589.400 to 589.475, and child abuse central registry under Sections 210.900 to 210.936. Oversight assumes these required annual checks can be conducted in the manner they are currently being conducted. Therefore, Oversight assumes no ongoing background screenings will be conducted through the FCSR and Oversight has included no cost for the ongoing background screenings.

Oversight assumes DHSS would be mailing notification to regarding 215,436 new registrants in the first year and 12,000 new registrants in subsequent years.

ASSUMPTION (continued)

Oversight assumes OA – ITSD would absorb the information technology-related duties within existing resources. Therefore, Oversight has included no cost for the 0.25 FTE Computer Information Technology Specialist II. Oversight has adjusted the State Data Center charges for FYs 2011 and 2012 to reflect approximately 12,000 new registrations per year.

Officials from the **Department of Social Services – Children’s Division (Division)** assume Section 210.145 requires the Children’s Division to provide information about the Office of the Child Advocate (OCA) and services it may provide to any individual who is not satisfied with the results of an investigation.

Currently law dictates OCA will review an unsubstantiated case at the request of a reporter. The Division now informs reporters, perpetrators and parent/caretakers through the CS-21 Disposition notification letter, CS-21B Reporter Disposition notification letter and the CS-24 Description of the Investigation of the reporter’s right to request OCA review of unsubstantiated cases. It is also CD policy to inform the reporter on initial contact of the option to request a review of unsubstantiated reports by OCA.

The language “any individual who is not satisfied with the results of an investigation” is broad. If this means the Division will provide information about OCA to any individual who contacts the Division and indicates they are dissatisfied with a result of an investigation, regardless of conclusion, it will require changes in current policy and procedures to ensure proper notification per this provision.

Officials assume §210.152 allows the Children’s Division to reopen a case for review at the request of any party to the investigation if information is obtained that the investigation was not properly conducted under the provisions of Chapter 210, RSMo, or if new information becomes available.

Currently, if the Children’s Division reviews a concluded case and the result is the need for further investigation then a new investigation must be generated. The Children’s Division can not re-open investigations or change the findings because under Missouri statutes and case law and regulation, once a decision is final the Missouri Children’s Division (CD) cannot reopen an investigation.

In addition to current law, which holds that CD cannot reopen a final finding to investigate a case again, there are constitutional issues to consider. The US Constitution and Missouri Constitution guarantee individuals due process rights when accused of wrongdoing. Due process requires that

ASSUMPTION (continued)

individuals “get notice” of what they are being accused of and an opportunity to respond to or dispute those charges. The other important principal is finality. This means that once a case has been brought up and addressed the accused shouldn't have to address it (or defend it) again as the conclusion is final. So when there is new evidence or information which has been brought to the attention of authorities, due process requires that they “get notice” and an opportunity to respond to and dispute the “new” charges.

As long as the Division initiates a new investigation when a review determines further investigation is required rather than reopening a concluded investigation or changing a finding, revisions to policy and procedure will not create a significant programmatic impact.

Current DOS discipline policy may apply when an individual employee fails to follow policy or state law. Depending upon the magnitude and scope of the policy violation, discipline may range from some type of sanction to termination of employment. Additionally, Missouri statutes provide for civil remedies to address situations where a person believes that the Children's Division has failed to follow the law.

In summary if the intent of this proposal is to allow the Division to review cases, at the request of any party to the investigation if information is obtained that the investigation was not properly conducted under the provisions of Chapter 210, RSMo, or if new information becomes available; and, if by review it is determined that further investigation is required, a new investigation will be generated, this bill would necessitate minimal changes in policy and procedure and would not require changes to the FACES system.

If the intention of this proposed legislation is to reopen concluded investigations in order to add to the investigation or to change the findings, there are conflicts with Missouri statute, case law and U.S. and Missouri constitutional issues as cited above. Current law allows a request for appeal on any substantiated by a preponderance of the evidence conclusion when the named perpetrator disagrees with the agency's findings. This bill expands this by allowing any party to the investigation to request the case be reopened for review. These changes would create significant fiscal and programmatic impact.

The Children's Division provided proposed statutory language to the Interim House Committee on Student and Child Protection in a November 7, 2008 correspondence, which would allow an unsubstantiated case to be re-investigated with any new evidence, alleged victim or alleged perpetrator information.

ASSUMPTION (continued)

§210.145. If after the completion of an investigation of a report of abuse or neglect, closed as an unsubstantiated report, the local office is provided or discovers new evidence related to the report of abuse or neglect, a report may be made to the hotline outlining the new information which has been discovered in relation to the closed report. A new investigation may be opened to take into consideration this evidence.

DOS assumes the following fiscal impact in reference to §210.152:

The Children's Division is determining fiscal impact on staffing needs as well as computer system programming needs to the FACES system. Assumptions are based on a two year average of investigation conclusions for Fiscal Years 2007 and 2008.

STAFFING IMPACT:

ONGOING/FUTURE IMPACT:

The average number of investigations concluded per year is 22,687.

The Division assumes 20% of the investigations concluded in the original year of investigation may be requested to be reopened.

The Division also anticipates an additional 5% of those investigations, concluded in the original year of investigation, may be requested to be reopened in each subsequent year for three years.

This results in an anticipated total of 35% of concluded investigations requested to be reopened in any given year on an ongoing basis beginning with fiscal year 2010.

ADDITIONAL FIRST YEAR/PRIOR YEAR IMPACT:

The Division anticipates a higher number of requests to reopen investigations in the first year of implementation. Because there is no time limit on when a request may be made to reopen an investigation, the Division is assuming requests to reopen cases may be made in any of the past 14 years, prior to fiscal year 2007.

In the first year of implementation of this bill, the Division anticipates 10% of the 3 previous years' concluded investigations will be requested to be reopened (fiscal years 2007, 2008, and 2009).

ASSUMPTION (continued)

The Division also expects 2% of the total investigations concluded in the 14 years prior to Fiscal Year 2007 will be requested to be reopened over a 3 year period.

	Original Investigation Year							
	Previous 14 Years	FY07	FY08	FY09	FY10	FY11	FY12	Total
Total/Average Number of Investigations	322,000	23,653	21,720	22,687*	22,687	22,687	22,687	
Year Reinvestigation Requested								
FY10	2,147	2,365	2,172	2,269	4,537			13,490
FY11	2,147	1,183	1,086	1,134	1,134	4,537		11,221
FY12	2,147	1,183	1,086	1,134	1,134	1,134	4,537	12,356
FY13				1,134	1,134	1,134	1,134	
FY14						1,134	1,134	
FY15							1,134	
Total/Average	6,440	4,731	3,344	5,672	7,940	7,940	7,940	12,356
Percent Reinvestigations Requested	2%	20%	20%	20%	35%	35%	35%	

*Projected average based on FY07 and FY08.

When the Division receives a request to reopen a case, the Division will follow a two part process:

First, Children's Service Specialists will be needed to screen the validity of the request to determine if the investigation was improperly conducted or if there is new information available. The Division estimates an average of 12,356 requests for cases to be reopened will be made each year. 40 cases per month or 480 annually can be screened per Children's Service Specialist, therefore 26 Children's Service Specialist are needed ($12,356 \div 480$).

ASSUMPTION (continued)

In addition to the 26 Children's Service Specialists needed for the screening process, the following FTE needed are calculated as follows:

4 Children's Services Supervisors (26 workers / 7 supervisors per worker = 4 supervisors)

5 Office Support Assistants (30 workers & supervisors / 4 professional staff per support * .75 ratio = 6 OSAs)

2 Senior Office Support Assistant (30 workers & supervisors / 4 professional staff per support * .25 ratio = 2 SOSA)

As a result of the screening process, the Division estimates that only 50% or 6,178 (12,356 * .50) of the requests for reopened cases would result in a reinvestigation. Based on an average caseload of 12 investigations per worker per month (144 annually), the Division anticipates a staffing need of 43 additional Children's Service Workers to meet the provisions of this bill (average annual investigations of 6,178 ÷ 144 reinvestigations completed per worker annually).

In addition to the 43 Children's Service Workers, the following FTE needed are calculated as follows:

6 Children's Services Supervisors (43 workers / 7 supervisors per worker = 6 supervisors)

6 Office Support Assistants (49 workers & supervisors / 6 professional staff per support * .75 ratio = 6 OSAs)

2 Senior Office Support Assistant (49 workers & supervisors / 6 professional staff per support * .25 ratio = 2 SOSA)

A total of 94 FTE is needed. All staff will need to be on board at the beginning of FY10 so they are trained by the time this bill would go into effect.

In addition, the Division will need access to a full-time attorney to assist in determining if there is enough evidence to re-open the case due to the higher standard of preponderance of the evidence.

ASSUMPTION (continued)

FACES SYSTEM PROGRAMMING IMPACT:

This proposed legislation will require a case, which has already been closed, to be reopened in the electronic case file, creating significant changes to the existing database. Analysis of potential computer system programming changes as a result of this legislation indicates a total of 35,100 staff hours at a total cost of \$2,632,500 (35,100 hours x \$75.00 per hour = \$2,632,500). This projection includes technical analysis, development of business requirements, and system coding, development, and testing.

Department of Social Services – Children’s Division estimates the total cost of the proposal to be approximately \$8.7 million in FY10 and approximately \$5.5 million in subsequent years. This cost is split among the General Revenue and Federal Funds.

Officials from the **Department of Social Services – Legal Services Division (DLS)** assume Section 210.152.3 can reasonably be expected to require the Children’s Division CD to process thousands of requests to review and reopen cases.

The statute is not time limited, meaning that any party to an investigation could request a review at any time. This means that the Children’s Division will be faced with a very large number of requests to review old cases within the first years after the bill was enacted. It is impossible to accurately estimate the total number of cases which the Children’s Division would have to review.

The Children’s Division has assumed that an average of 12,356 cases will be requested to be reviewed yearly. They also estimate that only 50% of these cases would be reopened based on their review. Thus 6,178 cases would result in a reinvestigation. It is assumed that in all these cases the person aggrieved by the Children’s Division decision on review would have a right to appeal to the CANRB and/or to circuit court. Assuming that just 1% of these cases were appealed to Circuit Court, DLS would be required to handle an additional 62 cases. The case load of a DLS attorney is 100 cases. In addition to the 62 new cases, an attorney would have to be available to advise CD on some cases, whether it is appropriate to reopen the investigation or not. DLS estimates that it will require an additional 1 FTE lawyer (at 37,560 per year, plus fringe benefits and equipment and expense) for DLS in the first year after enactment and each year thereafter. In addition, DLS anticipates that the costs of litigation may average approximately \$2,500 per case; however, there may be individual cases in which the costs exceed \$10,000. DLS estimates that litigation expenses could exceed \$155,000, depending on the number of cases and the complexity of the litigation.

ASSUMPTION (continued)

DLS estimates the total cost of the proposal to be approximately \$60,000 in FY10 and approximately \$70,000 in subsequent years. This cost is split among the General Revenue and Federal Funds.

Officials from the **Department of Public Safety – Missouri State Highway Patrol (MSHP)** assume this proposed legislation would increase the number of name-based criminal history record checks substantially. By using numbers provided by the Department of Elementary and Secondary Education, MSHP conservatively estimates the minimum amount of increase in criminal record searches to be 120,000 per year. The current fee for state name-based criminal history record checks is \$9. The minimum fiscal impact will be \$1,080,000 (120,000 checks x \$9).

MSHP is in the process of updating the Criminal History Record system. With this new system, MSHP will have the capability of providing an electronic notification for updated criminal history record information based on a flagging mechanism. This “RapBack” system will streamline the information provided to the Department of Elementary and Secondary Education. This “RapBack” system is tentatively scheduled for implementation in FY11. Therefore, there should be no impact in FY11 and beyond.

Oversight assumes Missouri State Highway Patrol would process approximately 12,000 background checks on new certificated and non-certificated school employees annually. Oversight assumes revenues of \$108,000 per year for FY11 and beyond.

§115.121 - Additional School Bond Election Day

This provision would create an additional general election day on the first Tuesday after the first Monday in November, 2009 for the purpose of permitting school districts to incur debt.

Oversight notes that this provision is permissive, and that any cost to a local government would result from action by that local government to hold an election. Oversight will indicate no fiscal impact for this provision.

§137.073 and 137.106 - Property Tax Rate and Valuation Limitations

This provision would delay some of the changes to the assessment process required by SB 711 (2008) and would change other requirements for property tax filings.

ASSUMPTION (continued)

Officials from the Office of Secretary of State assumed that this provision could have an impact on library districts' tax revenues.

Officials from the **Office of the State Auditor** (SAO) stated in response to a similar proposal (SCS for SB 174, LR 0966-03) that they can not currently determine whether the proposal would result in additional forms and computations. If additional forms and computations are required, SAO officials can not estimate the number that would be required. Accordingly, SAO officials stated they can not prepare an estimate of the cost, and assume there would be an unknown cost to their organization for potential changes to their tax rate certification process. SAO officials also stated the proposal could have an unknown impact on local governments.

Oversight assumes that any cost to the SAO could be absorbed with existing resources. If unanticipated costs are incurred or if multiple proposals are enacted which increase the SAO workload, resources could be requested through the budget process.

§142.814 - Exempts motor fuel used to operate school buses transporting students for educational purposes from the motor fuel tax.

Officials at the **Missouri Department of Transportation (MoDOT)** assume that according to Department of Elementary and Secondary Education they expect a 1.0043% bus travel growth annually. The total bus miles traveled during the 2007-08 school year was 131,909,393. The average school bus gets 7 miles per gallon. Total gallons used (131,909,393/7=18,844,199). That would be an income loss of \$3,203,513.83. Adding the 1% growth rate the impact would be (\$2,681,074.12) (FY 10), (\$3,231,123.28) (FY 11) & (\$3,245,017.11) (FY 12) - Note this also includes the lost revenue to cities and counties.

	FY 2010	FY 2011	FY2012
State Road Fund	(\$1,964,000)	(\$2,366,000)	(\$2,377,000)
Cities	(\$402,000)	(\$485,000)	(\$487,000)
Counties	(\$315,000)	(\$380,000)	(\$382,000)
Total	(\$2,681,000)	(\$3,231,000)	(\$3,246,000)

Officials from **Office of Administration - Division of Budget and Planning** defer to DESE and MoDOT for the fiscal impact of this proposed legislation.

Officials from the **Department of Revenue (DOR)** would be required to notify the 524 public school districts in the state of the exemption:

Letters -	\$ 13.10 (524 @ \$.025 per letter)
Postage -	\$220.08 (524 @ \$.42 per letter)
Envelopes -	\$ 20.96 (524 @ \$.04 per letter).
Total cost (FY 2010)	\$254.14

Oversight assumes that DOR can absorb any costs arising from the proposal with existing resources.

The **Office of Administration Information Technology (ITSD DOR)** estimates that this legislation could be implemented utilizing one existing CIT III for one month at a rate of \$4,441/mo for a total cost of \$4,441 for system modifications to FACS. ITSD DOR estimates the IT portion of this request can be accomplished within existing resources; however; if priorities shift, additional FTE/overtime would be needed to implement.

Officials at the **Department of Elementary and Secondary Education** assume this proposal would create a savings to school districts and a loss to state revenues.

Officials at the **Parkway School District** assume a savings of \$42,500 annually.

In similar legislation filed this year (HB 112), officials at the **St. Joseph School District** assumed a savings of \$30,000 annually, officials at the **Sikeston R-6 School District** assumed a savings of \$6,000 annually and officials at the **Jefferson City Public School District** assumed savings of \$20,000 to \$25,000 annually.

§160.011, 160.041, 160.539, 167.031, 171.029, 171.031, 171.033 - Permits school districts to adopt a four-day school week and a school flex schedule

Officials from the **Department of Elementary and Secondary Education** state that as a result of this proposed legislation, an individual's average daily attendance may increase, which is positive for the student, but could cause an increase to the state in the school foundation formula cost. The increased cost to the foundation formula cannot be estimated.

ASSUMPTION (continued)

Oversight, for fiscal note purposes only, will assign no impact to the foundation formula at this time.

Officials from the **Francis Howell School District** assume this proposal will have no negative fiscal impact and could reduce transportation costs to their district. Elimination of one day of transportation could produce savings of more than \$1 million for their district; however, the district has not completed a formal study of the cost savings.

Officials from the **Sikeston School District** assume there should be some cost savings, but were unable to quantify what those savings might be.

Officials from the **St Charles School District** responded in the introduced version of this proposal that districts with considerable transportation costs may experience a significant reduction in expenditures. Allowing these same schools to make up snow days on Fridays could potentially eliminate the need to extend the school year into late May or early June. Closing schools sooner allows schools to convert their buildings to "summer mode" for air conditioning, thus reducing costs. High schools will have difficulty scheduling athletic events with neighboring schools who are on a five day week and a shorter day. Also, outdoor athletic events/practices may be difficult to schedule in the late fall and early spring unless the athletic facilities are lighted.

Officials from the **Special School District of St Louis County (SSD)**, in the introduced version of this proposal, assumed a four day school week would save in transportation expense, but it is difficult to quantify. Most of their bus routes are tied to other routes and a cost reduction would depend on whether all schools tied to the routes were on 4 day schedules. SSD transports students to 23 other school districts in St. Louis County. Officials assume SSD could reduce the expense by \$1 million. SSD would also save on utilities expense, but that is subject to the expense incurred when bringing the heat back up at the end of the weekend.

Oversight assumes there could be savings in reimbursement of eligible transportation costs. According to the DES website, a summary of state transportation aid dated June 26, 2008, payment for 2007-08 costs showed the total aid paid was \$167,797,713. **Oversight** assumes that changing to a four-day school week with a minimum for 142 school days, compared to 174 school days for a five-day school week, would result in 32 fewer "transportation" days. This could result in a potential savings to General Revenue for state aid of \$30,859,350. The proposal is permissive, allowing school boards to establish a four day school week in lieu of a five-day

ASSUMPTION (continued)

school week. **Oversight** will range the savings from \$0 to \$27,964,780 annually. **Oversight** also assumes there could be a potential fiscal impact to the food services program and utility costs.

Student flex schedules

Officials from the **Department of Elementary and Secondary Education (DESE)** state this section requires DESE to collect additional data from school districts. The additional cost to school districts and DESE is likely to exceed \$100,000.

Based on limited information from DESE, **Oversight** will assign no fiscal impact at this time.

§160.254 - Joint Committee on Education - Open Enrollment Study

Officials from the **Department of Elementary and Secondary Education (DESE)** assumed no fiscal impact for this section of the proposed legislation

§160.263 - Seclusion rooms

Officials from the **Department of Elementary and Secondary Education** state there would be no fiscal impact to their agency.

§160.375 - Missouri Senior Cadets Program

Officials from the **Department of Higher Education** state this section of the proposal should have no direct, foreseeable fiscal impact on their agency.

Officials from the **Office of State Treasurer** state there will be no fiscal impact on their agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** state that this section of the proposal would establish the "Missouri Senior Cadets Program" for high school seniors who plan to attend college. Participants who mentor K-8 students for a minimum of ten hours per week during a school year shall receive one hour of class credit which may satisfy graduation requirements, and should the mentor attend college with the stated intention of becoming a teacher, the mentor shall be reimbursed for the costs of three credit hours per semester for a total of no more than eight semesters.

ASSUMPTION (continued)

	FY 2010	FY 2011	FY 2012
Seniors*	65,775	65,881	63,814
Level of participation**	5%	5%	5%
Estimated Total students eligible	3289	3,294	3,191
Average cost per credit hour***	\$201.68	\$201.68	\$201.68
Possible credit hours per semester	3	3	3
One semester total cost	\$1,989,825	\$1,993,032	\$1,930,501
Current year total cost (possibility of three semesters)	\$5,969,476	\$5,979,096	\$5,791,503
Current year and prior year(s) eligible		\$11,948,582	\$15,750,250

* Per State Profile XV--Fall Enrollment, Average Daily Attendance, Eligible Pupils Projections from the web

** DESE assumed a 5% participation level for calculation purposes; however, the actual level of participation is unknown and may be significantly more or less than 5%.

***Based on information on Coordinating Board for Higher Education's website regarding the FY09 Comprehensive Fee Schedule Report, DESE calculated the average credit hour charge for Missouri four-year institutions to be \$201.68 per credit hour.

Oversight assumes that school year 2009-10 programs will already be set up by the time this proposal would be effective (August 28, 2009), so this program would not be implemented until school year 2010-11 (FY 11) and reimbursements will not begin until FY 12 for the first year of eligible students.

DESE assumes their agency will provide oversight of this program and would need 1.0 FTE Administrative Assistant II to provide program oversight, process student information, and field program questions from students and districts. Current staff would handle payments and programmatic areas. The proposal does not indicate whether the reimbursement would go directly to the student or to the institution. Either option will raise payment questions related to vendor files and paperwork volume.

ASSUMPTION (continued)

Oversight has, for fiscal note purposes only, adjusted the salary and benefits of the Administrative Assistant II to correspond with the starting salary posted by DESE for a similar position and has excluded travel costs of \$4,500 annually, assuming the program could be administered with minimal travel. Based on Executive Order 09-09 dated February 4, 2009 in which the A+ Schools Program, Missouri Teacher Education Scholarship Program, Missouri Minority Teaching Scholarship Program, and the Urban Flight and Rural Needs Scholarship Program were transferred to the Department of Higher Education, **Oversight** assumes existing furniture (including systems furniture) and equipment will be available for the 1 FTE required to implement this proposed legislation.

DESE assumes that from a school district's perspective, there would be costs and issues related to this program, including tracking student assistance hours, ensuring compliance with eligibility requirements, completing reports and submitting them to DESE for payment. Adult supervision will be necessary. Schools may experience overhead costs for electricity, heat, AC, paper, etc. before and after hours, depending on when the assistance occurs.

Officials from the **University of Missouri, Metropolitan Community College, Missouri State University, University of Central Missouri, Missouri Southern State University, Lincoln University, Linn State Technical College,** and the **Moberly Area Community College** state there will be no fiscal impact on their respective institutions.

Officials from **Missouri Western State University** report the cost for three credit hours for one semester is \$586.50. If 20 students qualified for the program, the cost of reimbursement for six semester hours for fall and spring in an academic year would be \$23,460.

Officials from the **Francis Howell School District** state their district would need to create an Extra Duty position for the teacher assigned to the Cadets program. The cost would be approximately \$5,000 per high school and their district has three high schools, resulting in a total cost of at least \$15,000.

Officials from the **St Charles School District** assume the proposal should have little fiscal impact at the district level. If students participate in this program rather than in another elective course, schools will simply need to allocate existing staff accordingly. There could be a small fiscal impact initially with the textbooks, materials, supplies and resources for the course and consumable items would need to be replaced annually.

ASSUMPTION (continued)

Officials from the **Melville School District** report the fiscal impact to their district would include the cost for a part-time coordinator to manage the program. They estimate the cost to be one-half of a teacher's salary plus benefits (a minimum of \$23,000 for the school year).

§160.400, 160.405 - Charter Schools

Officials from the **Department of Higher Education** state this proposal will have no direct, foreseeable impact on their agency.

§160.400.2

According to officials from the **Department of Elementary and Secondary Education (DESE)**, eighteen school districts meet the criteria of districts where a charter school may operate: Kingston, New Bloomfield, Climax Springs, Ridgeway, Hickman Mills, Kansas City, Winfield, Risco, Hayti, Caruthersville, Lesterville, Ferguson-Florissant, Jennings, Normandy, Riverview Gardens, University City, Gilliam, St Louis City.

§160.400.2(2)

This section would allow an additional 24 institutions to be eligible to sponsor charters, which would require oversight by DESE staff.

DESE states there is no way to predict the number of charter schools that will actually come into existence nor how many students would move from public education into a charter environment. Therefore, impact is not something that can be calculated. However, it would be logical to assume that several charter schools will open which will require significant oversight. DESE would need three FTEs related to the additional requirements under this proposed language: 1 assistant director, 1 supervisor, and 1 administrative assistant.

Oversight assumes that it is unknown how many of the 24 institutions, if any, that are eligible to sponsor charters would opt to do so. Oversight assumes existing resources can be used to process applications and provide sponsor oversight. If a significant number of eligible institutions would elect to sponsor charter schools, funding for personal services could be requested through the budget process.

DESE reports that no changes are proposed to §160.415; therefore, the funding process appears to remain unchanged. The state aid for a qualifying student who decides to attend a qualifying

ASSUMPTION (continued)

charter school will come from the state's state aid and local calculation of the district in which the charter is located. This may shift some local tax money from the district to the charter for a student who is not a resident of the district. Such a shift cannot be estimated.

The proposal does not appear to change the state aid to the applicable district in the adjacent county.

Officials from the **City of St Louis** do not anticipate a significant fiscal impact from this proposed legislation.

Officials from the **University of Missouri** and **Missouri State University** state this proposal will have no fiscal impact on their respective institutions.

Officials from the **University of Missouri - St Louis** (charter school sponsor) did not indicate any fiscal impact resulting from this proposal.

According to officials from the **University of Missouri - Kansas City (UMKC Charter School Center)**, the only provision that will effect charter school budgets is §160.405.13(2). The employee theft provision will save money over the surety bond required in §160.405.13(1).

The only provision that will effect charter school sponsor budgets is §160.400.9(1) and the second paragraph of §160.400.9(5) which will require about \$10,000 per year to document the cost of University services used to "support charter school sponsorship activities". Currently UMKC does not charge the UMKC Charter School Center for accounting service, administrative or School of Education faculty time spent supporting charter schools or maintenance of the University owned house in which the Charter School Center is located.

This proposal was sent to several school districts not classified as accredited, none of which responded to a request for fiscal note.

§160.410 - Study of charter school performance

Officials from **DESE** state that a study related to performance of charter schools would cost approximately \$200,000. DESE assumes the Office of Administration would coordinate the RFP process and that DESE would incur insignificant travel costs associated with the evaluation process.

ASSUMPTION (continued)

§160.534, 163.011, 163.043 - School Funding

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** state that the proposed legislation should not result in additional costs or savings to the Division of Budget and Planning.

This proposal does not change the amount of gaming monies coming into the state treasury, but it will impact the state budget. The proposal eliminates the Schools First Elementary and Secondary Education Improvement Fund. The Fiscal Year 2010 Governor's Budget includes \$108.6 million from the existing Schools First Elementary and Secondary Education Improvement Fund along with FY 2009 supplemental funding recommendations of \$29.6million.

Officials from the **Department of Elementary and Secondary Education (DESE)** provided the following assumptions and calculations regarding the proposed legislation:

The proposal removes from the calculation of the state adequacy target the inclusion of the gaming revenues from the repeal of the loss limits. Current law provides that current operating expenditures shall include, in part, any increases in state funding subsequent to fiscal year 2005, not to exceed 5%, per recalculation, of state revenue, received by a district in the 2004-2005 school year. This proposal removes the 5% limit on increases in state funding per recalculation. The proposal also adds a component to weighted ADA related to the count of gifted students.

DESE has calculated the fiscal impact for each change independently as well as for the changes occurring simultaneously.

Add a weight for gifted students in weighted ADA:

The increased cost in FY 2010 if a weight for gifted students is added to weighted ADA is approximately \$26 million. All factors were held constant to those used in the DESE calculation of the \$63.2 million increase for FY10 including hold the SAT at \$6,117.

Remove the 5% cap in the State Adequacy Target (SAT) calculation:

The State Adequacy Target for FY 2010 would have been \$6,219 without the 5% cap. The increased cost in FY 2010 if the 5% cap is removed and the SAT is consequently increased to \$6,219 is approximately \$40.3 million. All factors were held constant to those used in the DESE calculation of the \$63.2 million increase for FY10 with the exception of the SAT which was changed to \$6,219.

ASSUMPTION (continued)

Add a weight for gifted students in weighted ADA and remove the 5% cap in the State Adequacy Target (SAT) calculation:

If both the weight for gifted students and the removal of the 5% cap on the SAT calculation occur and are implemented together, the combined change for FY10 is approximately \$67 million more than no change to the SAT or the weight. All factors were held constant to those used in the DESE calculation of the \$63.2 million increase for FY10 with the exceptions of changing the SAT to \$6,219 and adding the gifted weight.

Oversight assumes both provisions in the proposal would be implemented, for a total cost of \$66,300,000.

State Adequacy Target 2% increase.

According to DESE, a 2% increase to the current \$6,117 yields \$6,239 or \$122 increase. Applying the \$6,239 to the FY10 calculation yields an increased cost of \$48,513,197 over DESE's FY10 increase request. The comparison is to the FY09 appropriation.

DESE FY10 increase request = \$ 63,168,672

FY10 increase if SAT increased 2% = \$111,681,869

Difference = \$ 48,513,197

This \$48 million is probably a 2 year growth. If the 2% increase is also to be applied over two years at 50% per year, and if this calculation had been in place when the first recalculation was done, the FY09 SAT would have been \$6,178 and the FY10 SAT would have been \$6,239. So, if FY09 had been \$6,178, perhaps the cost of going from \$6,178 in FY09 to \$6,239 in FY10 would be approximately \$24 million.

DESE cannot make estimates for future recalculations. If one assumes that the next recalculation will not yield any growth, then applying the 2% increase to \$6,239 yields \$6,364 or a \$125 increase to spread over 2 years. The cost ought to be slightly higher than the \$48 million since the growth is \$3 more.

ASSUMPTION (continued)

§160.545, 173.250, 173.268 - Modifies the A+ Schools Program, creates the Missouri Promise Program, and modifies the Higher Education Academic Scholarship Program (Bright Flight) to provide scholarship opportunities to students attending certain public and private higher education institutions.

§160.545 - A+ Schools Program

§160.545.5 - According to officials from the **Department of Elementary and Secondary Education (DESE)**, as of 4-22-09, Missouri has 254 designated A+ high schools. There are currently 41,870 students who are eligible to utilize the program; A+ pays on approximately 1/3 that number. Of the remaining 262 non-designated high schools, there are currently 19,882 students who are potentially eligible to utilize the program under the terms of this section. These 19,882 students make up 32.2% of the total 61,752 eligible students.

Number of high school graduates in Designated A+ high schools	41,870 (67.80%)
Number of high school graduates statewide in non designated high schools	<u>19,882</u> (32.20%)
Total number of high school graduates statewide in 2008	61,752

The FY09 A+ cost is \$21,765,855. Based on 68% of students currently in A+ schools, the expansion applied in year one during FY 10 would total \$5,121,378. This \$5.1 million cost would appear to be the uppermost cost of a range of potential costs during FY10. However, the changes to current statute which are proposed in section 160.545.3(2) would make the actual costs difficult to estimate.

§160.545.3(2) - Current statute states ... "any student who has made a good faith effort to first secure all available federal sources of funding....". The proposal removes the word "federal". This change would make A+ virtually the last payment option for students. This makes the costs of the program difficult to calculate because it is unknown what additional scholarships or funds any one child might receive. It could be assumed that this will save funds; however, there is no way to calculate a savings or even definitively assume there would be savings.

§160.545.6 - Current statute indicates that a student must enroll full time. Proposed new language requires the student to enroll full time and "attend" full time. DESE does not track the number of dropped courses after enrollment; therefore, DESE cannot calculate the impact of this change. This could potentially save funds; however, there is no way to calculate a savings.

ASSUMPTION (continued)

§160.545.8 - This subsection sets up the priority of payments depending upon the classification of costs for tuition, general fees, and book costs depending upon the availability of funds. Tracking and payment will require an additional FTE data specialist.

This portion of the proposal allows up to fifty percent of the book cost. DESE estimate total cost for the 50% book reimbursement at \$6,614,706 per fiscal year.

Officials from the Department of Higher Education stated this version of the proposal would change the A+ scholarship program, which is administered by DESE. DHE is not including any estimate of the fiscal impact of changes to the A+ program except to the extent that those changes will affect the number of students who are eligible to receive Missouri Promise scholarships.

FY	A+	Missouri Promise
2010	--Freshmen A+ recipients will include students from any public high school --Sophomore A+ recipients will include students from A+ high schools	--Junior Missouri Promise recipients will include students from A+ high schools --No seniors will receive Missouri Promise
2011	Freshmen and sophomore A+ recipients will include students from any public high school	--Junior Missouri Promise recipients will include students from A+ high schools --Senior Missouri Promise recipients will include students from A+ high schools
2012	No change from previous year	--Junior Missouri Promise recipients will include students from any public high school --Senior Missouri Promise recipients will include students from A+ high schools
2013	No change from previous year	Junior and senior Missouri Promise recipients will include students from any public high school

§173.268 - Missouri Promise Program

Officials from the **Missouri Department of Higher Education (DHE)** state this section of the proposed legislation would create Missouri Promise, a new financial aid program that would be administered by the DHE. The program would allow students who receive certain associate's-level degrees using the A+ scholarship to receive a scholarship for their third and fourth years at a public four-year institution of higher education.

ASSUMPTION (continued)

DHE would be required to perform new duties including:

- Determine what "average tuition" is, as defined by statute (§ 173.268.3);
- Develop regulations to implement the program (§ 173.268.3);
- Establish a procedure for the provision of scholarships (§ 173.268.3);
- Ascertain the appropriate amount of each student's scholarship (§ 173.268.3);
- Ascertain whether applicants for the scholarships meet specific eligibility criteria to receive initial awards (§ 173.268.4);
- Ascertain whether applicants for the scholarships meet specific eligibility criteria to receive renewal awards (§ 173.268.5).
- Reprogram the software it used to administer financial aid programs (FAMOUS)
- Update its publications to include information about the new program;
- Provide training to financial aid officers about the new program;
- Provide customer service to students, parents, high school guidance counselors, college and university financial aid officers, and other stakeholders;
- Develop annual funding requests for the program;
- Develop a procedure for evaluating the effectiveness of the Missouri Promise program (§173.268.7);
- Conduct biannual reviews of the Missouri Promise Program (§ 173.268.7); and
- Provide the results of biannual reviews to the governor, the speaker of the house, and the president pro tem of the senate (§ 173.268.7).

DHE's estimate of the cost of the scholarships is based on the following assumptions:

FY 10

DHE estimates that approximately the total cost of the four-year institution portion of the Missouri Promise program for FY 10 would be \$19,960,129.

This estimate is based on the following assumptions:

- o Only students who complete two-year degrees in 2009 and who received A+ awards will be eligible to receive Missouri Promise scholarships in FY 10. This means that only students in their third year of post-secondary education will be able to receive Missouri Promise scholarships in FY 10.

ASSUMPTION (continued)

- o Currently 68% of public high school graduates are from A+ high schools. DHE assumes that 100% of public high school graduates will now be eligible to participate in A+ and, by extension, Missouri Promise, based on the language of this proposal.
- o The number of students who participate in A+ will increase by 19.5% each year. This estimate is based on actual and projected growth in the A+ program between FY 07 and FY 10. This increase will impact the number of students who may participate in Missouri Promise.
- o 75% of students who received A+ and completed associates degrees will go on to a four-year institution and receive Missouri Promise.
- o Awards will be set at \$6,303.51. This estimate is based on the fact that Missouri Promise scholarships are limited to public four-year colleges and universities, with tuition reimbursement capped at the average public four-year school tuition and fees, currently \$6,303.51. The DHE assumes that public four-year institutions' tuition will not increase for FY 10.
- o Pell and Access Missouri awards are deducted when determining Missouri Promise awards.

FY 11

DHE estimates that the total cost of the four-year institution portion of the Missouri Promise program for FY 11 would be \$42,082,290.

This estimate is based on the following assumptions in addition to those stated for FY 10:

- o Students in their third and fourth years of post-secondary education will be able to receive Missouri Promise scholarships in FY 11.
- o Award amounts would increase by approximately 3% annually. Missouri Promise scholarships are limited to public four-year colleges and universities with tuition reimbursement capped at the average public four-year school tuition and fees, currently \$6,303.51. The DHE assumes that public four-year institutions' tuition will increase at approximately the rate of inflation, which is assumed to be 3%. This figure is lower than the assumed inflationary increase for community college tuition because four-year institutions' tuition is capped by state law.

ASSUMPTION (continued)

FY 12

DHE estimates that the total cost of the four-year institution portion of the Missouri Promise program for FY 12 would be \$56,241,651 based on the assumptions from FY 11.

DHE assumes that it will require \$170,000 in FY 10 to reprogram FAMOUS to accommodate this new program. This estimate is based on the amount required to reprogram FAMOUS to accommodate the Access Missouri program in 2007.

DHE assumes that it would require 1.5 FTE for administration of this program. DHE would hire an additional 1.5 FTE at the Research Associate II level and would use an existing .5 FTE already in the DHE budget to administer this program. DHE would be required to purchase equipment for two new FTE. The DHE assumes that these FTE would be hired at the low end of the pay range for Research Associate II, starting at an annual salary of \$33,420.

Officials at the **Missouri Southern State University, Linn State Technical College, St. Louis Community College, University of Missouri** and the **Missouri Western State University** assume that there is no fiscal impact from this proposal.

Officials at the **Lincoln University** assume a possible financial impact due to increased enrollment resulting from increased financial aid assistance for students.

Officials at the **University of Central Missouri** assume a saving of \$200,000 since they would no longer need to offer a transfer scholarship. However, they project a loss of tuition as students may choose to enroll in a two year school instead of a four year.

§173.250 - Higher Education Academic Scholarship Program (Bright Flight)

Officials from the **DHE** assume section 173.250.4(4)(b) extends the period that students who enter the military immediately after high school or who leave college to serve in the military can defer their Bright Flight awards. Those students would potentially be able to receive awards.

Several unknowns prevent the DHE from being able to precisely estimate the impact of this proposed legislation, including the number of students who enter the military immediately after high school or leave college to serve in the military who would otherwise qualify for Bright Flight, whether such students would be in the top 3% or the top 5%, and the number of such students who would ultimately return to college within six months after leaving the military.

ASSUMPTION (continued)

Based on all available data about the Bright Flight program, general patterns of deferral rates, and the number of times DHE receives calls from students who might benefit from the change described above, DHE staff estimate that the changes described above would result in approximately 2 additional Bright Flight awards to students in the top 3% each year starting in FY 10. DHE assumes that students in the top 3% will receive \$2,000 awards in FY 10 and \$4,000 awards for FY 11 and each year thereafter. DHE assumes that starting in FY 11, students in the top 5% will begin receiving \$1,000 Bright Flight awards, and that the changes in this bill will result in an additional 3 students per year receiving awards in that range. The DHE assumes that all students who receive Bright Flight awards because of the changes in this proposal will maintain eligibility and receive awards for 4 years.

Score Range	FY10 3%	FY11 0 5%	FY11 3%	FY11 5%	FY12 3%	FY12 5%
Number of students who would be eligible for <u>initial</u> Bright Flight awards because of this bill	2	N/A	2	3	2	3
Number of students who would be eligible for <u>renewal</u> Bright Flight awards because of this bill	2	N/A	2	0	4	6
Total number of students	0	N/A	4	3	6	9
Award amount per student	\$2,000	N/A	\$4,000	\$1,000	\$4,000	\$1,000
Total awarded to eligible students	\$4,000	\$0	\$16,000	\$3,000	\$24,000	\$9,000

DHE assumes that it would not require additional staff to administer the Bright Flight program with these changes, but that it would be required to reprogram the software it uses to administer the Bright Flight program, which is called FAMOUS. The cost associated with the software reprogram is currently unknown.

Oversight assumes that the cost to reprogram the FAMOUS system could be absorbed within existing resources.

ASSUMPTION (continued)

§160.755 - Bullying

Officials from the **Department of Elementary and Secondary Education** did not indicate any fiscal impact on the agency level; however, they assume local school districts might incur additional printing costs to implement this proposal. In addition, depending upon the level of training required by each school districts for its school employees and volunteers, there could be significant unknown costs.

Oversight assumes an anti-bullying policy is already in place in school districts and any implementation costs attributed to the amendments to current statute could be absorbed with current resources.

§160.800, 160.805, 160.810, 160.815, 160.820 - P-20 Council

Officials from the following agencies stated this portion of the proposal would have no fiscal impact on their respective agencies: **Office of Administration - Division of Purchasing and Materials Management** and the **Administrative Hearing Commission; Department of Economic Development; Office of the Governor; and Office of Lieutenant Governor.**

Officials from the **Office of State Auditor (SAO)** assume that expenditures by the SAO for the required audit would be offset by payment from the corporation as provided in §160.805.8.

Officials from **DESE** state that this proposal appears to replace the current council established in §160.730, RSMo with a new council consisting of the current members in addition to the chairperson of the Coordinating Board of Early Childhood and seven members appointed by the governor. The new council would have the same duties as the current council; however, this proposal would allow the Department of Economic Development, the Department of Elementary and Secondary Education, and the Department of Higher Education to contract with the council to carry out those duties. In addition, the contracts will not be bound by the provisions of Chapter 34, RSMo.

Depending upon the actions of the council and the resulting contracts entered into by the departments, this proposal could result in significant costs for duties that are currently being conducted by the current council.

ASSUMPTION (continued)

Officials from the **Department of Higher Education (DHE)** state that DHE staff have been integrally involved in the P-20 Council since its creation. Currently, the P-20 director is a member of the DHE's senior staff. DHE staff have seen how difficult it is for the Council to be fully effective without staff and the significant advantages that staff would provide. As such, the DHE is requesting 1.5 FTE to assist with the performance of the P-20 Council's work. Both staff would be program specialists hired at the low end of the UPC range.

Oversight assumes the duties of the private not-for-profit corporation created with this proposal are the same as those in the section being repealed (§160.730) and that any expenses incurred by board members representing state agencies can be absorbed with existing resources.

§160.950 - Persistence to Graduation Fund

Officials from the **Missouri House of Representatives** and the **Office of State Treasurer** state this proposal will have no fiscal impact on their respective agencies.

Officials from the **Office of the Governor** state there should be no added cost to the Governor's Office as a result of this proposed legislation.

Officials from the **Missouri Senate** state this proposal will either have no impact as it relates to their agency or minimal costs which can be absorbed by present appropriations.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** state the proposed legislation should not result in additional costs or savings to BAP.

Officials from **DESE** state their agency would administer a program whereby eligible school districts apply for and receive grant awards to implement drop-out prevention strategies. DESE is required to promulgate criteria to judge the effectiveness of participating school district's drop out prevention programs. The costs of the program are unknown but will likely be significant.

DESE will require 1.0 FTE supervisor and 1.0 FTE administrative assistant to review and process grant applications, to award funds, and to judge the effectiveness of the drop-out programs.

Oversight assumes the proposal states that grants awarded under this section will be available to school districts that have a student population of which sixty percent or greater is eligible the

ASSUMPTION (continued)

Free and Reduced Lunch Program. **Oversight** assumes, based on data from the DESE website, that as of 2008, there were 96 school districts that had a student population of which sixty percent were eligible for the Free and Reduced Lunch Program.

Oversight has, for fiscal note purposes only, adjusted the salary and benefits of the supervisor and administrative assistant to correspond with the range for the starting salary posted by DESE for a similar positions. **Oversight** has, for fiscal purposes only, not assigned a cost for travel.

§160.1100, 160.1103, 160.1106, 160.1109, 160.1112, 160.1115, 160.1118, 160.1121, 160.1124, 160.1127, 160.1130, 160.1133, 160.1136, 160.1139, 160.1142, 160.1145, and 160.1148 - Establishes the Professional Relationships Between Teachers and School Districts Act

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

Officials from the **Office of Prosecution Services (OPS)** state this proposal will have no measurable fiscal impact on OPS or elected prosecuting attorneys.

Officials from the **Department of Corrections and the Office of State Public Defender** state this proposal will have no fiscal impact on their respective agencies.

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 proposal. 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 (DESE)** assume that at the state level, the costs would be similar to a public sector labor relations process, with a commission established to settle disputes and investigate unfair union or employer labor practices. DESE defers to the Department of Labor and Industrial Relations regarding such costs. DESE also defers to the local districts regarding costs to districts.

ASSUMPTION (continued)

The **Department of Labor and Industrial Relations (DOLIR)** estimates an increase in the number of petitions filed and hearings held. There are currently 523 school districts and 28 charter schools that will be affected by the proposed legislation. DOLIR estimates an increase in travel costs and administrative expenses, such as envelopes and postage. It is not possible to determine the exact fiscal impact at this time due to the uncertainty of workload.

Officials from the **Sikeston School District** responded to the request for fiscal note but did not provide an estimate of fiscal impact.

Oversight assumes potential costs to school districts are speculative and for fiscal note purposes will not be assigned. **Oversight** assumes any monies received from fines that would be transmitted to the State School Moneys Fund are speculative and for fiscal note purposes will not be assigned.

§161.072, 161.122, 167.275 - Public Access to Education Materials and Records

Officials from **DESE** state that §161.072 and 167.275 will have no fiscal impact on their agency or on school districts.

Officials from the **Department of Social Services - Division of Youth Services** state the provisions of §162.275 are not expected to fiscally impact their agency.

Officials from DESE assume §161.122, which requires the Commissioner of Education to conduct studies, evaluation, and testing relating to standard and efficiency of instruction, will likely result in costs exceeding \$100,000.

§161.390 - Standards for teaching

Officials from the **Department of Elementary and Secondary Education (DESE)** stated there would be cost associated with the development of the teaching standards, but those costs should be insignificant.

Oversight assumes the minimal costs could be absorbed by DESE and, for fiscal note purposes only, will assign no cost for this section.

ASSUMPTION (continued)

§161.800 - Volunteer and Parents Incentive Program

Officials from the **Office of State Treasurer** assume this section of the proposal will have no fiscal impact on their agency.

Officials from the **Department of Higher Education** state this section will have no direct foreseeable fiscal impact on their agency. They were unable to estimate the over-all fiscal impact of this proposal because they cannot predict the number of people who would take advantage of it or the cost of the education they might seek.

Per-credit hour tuition at Missouri public higher education institutions ranges from \$61 to \$253. The average for community colleges is \$73, and the average for four-year institutions is \$201 per credit hour.

Officials from **DESE** assume this section would require their agency to implement and administer a program of tuition reimbursement for parents or volunteers who donate time at a qualifying public school. A qualifying public school is defined as a Missouri school that is located in a school district that has been classified as unaccredited or provisionally accredited, or that has a student population of more than fifty percent at-risk students.

At-risk students are defined by a wide range including, but not limited to, criteria such as having low grades, having a parent or sibling who dropped out of school, or having low self-esteem. Much of the at-risk criteria are not quantifiable and cannot be tracked by DESE or reported by the local school districts. DESE assumes it would be impossible to determine which public schools would qualify. DESE and local school districts would incur costs developing systems to track and report these criteria as well as to track and report the time donated by parents and volunteers.

Potentially, this program could apply to every local school district in the state. Tuition reimbursements would be contingent upon the number of parents and volunteers who donate time at a qualifying school and then complete three credit hours of education at a public institution of higher education located in Missouri. In addition, DESE would have to develop a payment system to make the reimbursements and ensure the appropriate time has been donated and the appropriate credit hours have been completed. These costs cannot be estimated. DESE would require 1.0 FTE director and 1.0 FTE administrative assistant to implement and administer the program.

Oversight has, for fiscal note purposes only, adjusted the salary and benefits of the director and

ASSUMPTION (continued)

the administrative assistant to correspond with the range for the starting salary posted by DESE for similar positions.

Officials from the **Jefferson City School District** assume that by using the definition of “at risk student” outlined in the proposed legislation, nearly every student in the state could qualify. Currently the Jefferson City School District has a substantial volunteer program, but were unable to determine how many volunteers would need additional education to use the credit.

Officials from the **Charleston School District** assumed there would be costs associated with a Highway Patrol/FBI background check.

Officials from the following institutions of higher education assumed no fiscal impact associated with this proposal: **University of Central Missouri, University of Missouri, Missouri State University, Truman University, and Lincoln University.**

§161.850 - Parent's Bill of Rights

Officials from the **Department of Elementary and Secondary Education (DESE)** state they have adopted the federal model of the "notice of right" referred to as "Procedural Safeguards" which meets all federal requirements. DESE has indicated they would not be likely to change the federal model to accommodate the requirements of this proposal. The provisions of this proposal appear to provide for "rights" that are additional to those provided under the Individuals with Disabilities Education Act (IDEA) to parents. Should this proposal pass, DESE would most likely create a new (additional) document for distribution to families.

The existing "Federal Procedural Safeguards" document is 32 pages in length. DESE assumes that an additional state procedural safeguards document (bill-of-rights) would be approximately ten pages in length. Distribution to school districts/charter schools is based on child count.

Estimated Costs:

Staff time: 100 staff hours	\$ 2,500 (includes federal approval process)
Materials:	\$ 250
Printing: 150,000 copies	\$ 30,000
Translation: 22 languages	\$100,000
American Sign Language/Video/DVD	\$ 5,500
Distribution Costs/Postage	<u>\$ 600</u>
	\$138,850

ASSUMPTION (continued)

Oversight assumes the staff time and printing costs would be absorbed. Printing costs will be negligible since the document is to be posted on the web site. In reviewing existing contracts for translation costs, Oversight assumes a range of 3 cents to 37 cents per word and a range of 5 to 10 pages (at 500 words per page) for the proposed document to be translated into 22 languages. The range for translation cost would be \$1,650 at the lowest end of the range and the highest would be \$40,700. **Oversight** also assumes that requests for translations in non-mainstream languages could be requested on an as-needed basis, further reducing the cost of this section. For fiscal note purposes only, **Oversight** will range the cost as (Unknown - Up to \$40,700).

Officials from the **Special School District of St Louis (SSD)** assume that most of the requirements listed in the proposal are already required under IDEA. This proposal would add compliance requirements that don't currently exist under IDEA such as discussing classroom programming and behavior therapy. These requirements would add expense to the district, but SSD could not quantify an amount of fiscal impact.

Officials from the **Sikeston School District** state there will be a fiscal impact associated with the compliance steps, but that a specific cost is not known.

Officials from the **Francis Howell School District** assume the proposed legislation would require printing of the brochures. The estimated fiscal impact would be less than \$1,000 per year.

Officials from the **Blue Springs School District** assume this proposed legislation will lead to more due process hearings in the state. They reported they spent \$130,000 last year on attorney's fees for special education issues and just went through one in the last month and attorney's fees alone were in excess of \$50,000. They assume that if this proposal is enacted they will at least double those costs.

Officials from the **St Charles School District** responded to the request for fiscal note, but did not specify if there would be fiscal impact to their district.

§162.083 - Operation of a Special Administrative Board of a lapsed school district

Officials from **DESE** state this proposed legislation presents no increased costs for their agency or the state.

Oversight assumes that since the election of a successor member shall occur on a municipal

election day, costs of the election to the school district would be minimal and no fiscal impact is assigned.

§162.204 - Digital and electronic records

Officials from **DESE** state this proposal will have no fiscal impact on their agency or on local school districts.

Officials from the **Sikeston School District** assumed no costs associated with the proposed legislation.

In response to an identical proposal from last year (SB 925 - FN 3978-01), officials from the **Independence School District** stated the proposal would have no fiscal impact on their district beyond current operational expenditures.

§162.215 - School-commissioned police officers

Officials from the **Blue Springs School District** state there will not be any additional cost to their district as a result of this proposal.

Oversight notes that this section only applies to the Blue Springs School District.

§162.431 - Defines "significant difference in the time involved in transporting students" for purposes of school boundary line determinations

In response to the introduced version of this section of the proposed legislation (HB 304 - FN 0130-02), officials from the **Department of Elementary and Secondary Education (DESE)** stated this proposed legislation further defines the provision within the boundary change statute that boards of arbitration should consider when making a decision regarding a boundary change. One of the considerations is educational harm to school aged children due to "significant" difference in the time involved in transporting students. This proposal would define "significant" as a difference of one hour or more per trip in travel time.

There would be no fiscal impact for the state transportation formula. There would also be no fiscal impact for the state school foundation formula unless the assessed value of the land taken from one district and added to another caused the losing district's assessed valuation to be less than the 2004 assessed value, the value in the foundation formula. Regardless of the impact on the school foundation formula, the school district losing land would lose local property tax.

ASSUMPTION (continued)

DESE further stated that a loss of land in one district would result in a loss of local property tax for that district; conversely, the district that received the land would have a gain in local property tax. There is no way to estimate how many districts will be impacted or to what extent their local property taxes would increase or decrease.

Officials from the **Francis Howell School District** do not foresee any fiscal impact to their district as a result of this proposed legislation.

Officials from the **Sikeston School District** assume that few school districts are ever involved in type of undertaking and the fiscal impact would be negligible.

Oversight assumes that inter-district property transfers resulting from this proposal would be minimal and that tax rates in adjoining districts would be relatively equal. For fiscal purposes only, **Oversight** will show fiscal impact to local school districts as Unknown for districts gaining land and (Unknown) for districts losing land for a net fiscal impact of \$0.

§162.492 - Elections for school board vacancies

Officials from **DESE** state this proposal will have no fiscal impact on their agency.

Officials from the **Office of Secretary of State** indicated this proposed legislation would have no fiscal impact on their agency.

Officials from the **Kansas City Board of Elections** have determined that a single issue election for the Kansas City Missouri School District would cost approximately \$200,000.

Oversight assumes the proposal calls for a special election to fill vacancies on the school board; therefore, the Kansas City Missouri Public School District would be responsible for the costs of the special election if such a vacancy should occur. A special election would be only held if a vacancy occurs more than six months prior to the next general municipal election; otherwise, the position would be filled at the next general municipal election, reducing potential election costs to the Kansas City Missouri Public School District.

Officials from the Kansas City Missouri Public School District did not respond to a request for fiscal note.

ASSUMPTION (continued)

§162.1168 - Missouri Preschool Plus Grant Program

Officials from the **Department of Mental Health, Department of Social Services**, and the **Office of State Treasurer** state this proposed legislation will have no fiscal impact on their respective agencies.

Officials from **DESE** made the following assumptions regarding fiscal impact of this program:

FY 2010

Cost per New Program	\$ 150,000
New Programs	x 33
Total Cost for 2010	\$4,950,000

FY 2011

Cost per Existing Program	\$ 120,000
Existing Programs	x 33
Cost for Existing Programs	<u>\$3,960,000</u>

Cost per New Program	\$ 150,000
New Programs	x 6
Cost of New Programs	<u>\$ 900,000</u>

Total Cost for 2011	\$4,860,000
---------------------	--------------------

FY 2012

Cost per Existing Program	\$ 120,000
Existing Programs	x 39
Cost for Existing Programs	<u>\$4,680,000</u>

Cost for New Program	\$ 150,000
New Programs	x 2
Cost of New Programs	<u>\$ 300,000</u>

Total cost for FY 2012	\$4,980,000
------------------------	--------------------

ASSUMPTION (continued)

According to officials from the **Department of Health and Senior Services (DOHSS)**, the Department of Elementary and Secondary Education (DESE) estimates this legislation would increase Pre-K capacity by 60 to 125 classrooms. This range is dependent on the size of the classroom (i.e., 10, 15, or 20 children per room). DOHSS assumes additional licensure activities will need to be performed by the Section for Child Care Regulation (SCCR) for these new childcare services. For fiscal note purposes, SCCR estimates an additional 85 additional licensed child care facilities (previously unlicensed facilities). The new facilities would require two Child Care Specialist II and related expenses. The Child Care Specialist II will inspect the 85 additional licensed child care facilities and perform necessary regulatory activities.

For licensed child care programs in the state, DOHSS has established child to adult ratios in promulgated rules for child care centers. If a program in this project were licensed by DOHSS, the staff/child ratio set forth by the Department of Elementary and Secondary Education would need to coordinate with the standards already in place.

Oversight assumes the proposal states that the grants are not for licensed day care facilities, but are for a program administered by DESE and the students will be taught by teachers with a bachelor's degree, or in the case of nonsectarian community-based organizations, teachers with at least an associates degree pursuing a bachelor's degree. Oversight also assumes that if the number of programs assumed by DESE in their response does not cover up to 1,250 students as outlined in the proposal, funding to be provided from General Revenue would exceed the minimum of \$5,000,000 stated in the proposal. For fiscal note purposes only, Oversight will show a cost to General Revenue of (\$5,000,000 to Unknown)

§162.1250 - Virtual courses

Officials from **DESE** anticipate no increased cost to the school foundation formula.

Oversight assumes the proposal is permissive for the school districts; therefore, no fiscal impact will be stated

§163.031 - Eliminates the summer school penalty beginning with the 2009-2010 school year

According to officials from the **Department of Elementary and Secondary Education (DESE)**, this section of the proposed legislation does not increase the cost of the school basic foundation formula. It would reduce a decrease, or penalty, a district might have because of summer school average daily attendance (ADA) decreasing below that of the 2005 summer school level.

ASSUMPTION (continued)

A reduction in summer school ADA for whatever reason will result in a decrease in the district's basic formula money because the district's weighted ADA would decrease. However, this is not a result of the proposal. It is the normal process in the formula in which a decrease in regular term ADA or summer school ADA causes a decrease in basic formula money for the school district affected.

§163.044 -Increases the overall appropriation amount for small school grants from \$15M to \$20M with \$15 being distributed to eligible districts in proportion to their average daily attendance

In response to HCS for HB 356 - FN 0092-02, officials from the **Department of Elementary and Secondary Education (DESE)** assume the House Committee Substitute requires the use of regular term Average Daily Attendance (ADA), which excludes summer school ADA, in subsections 1 and 2. However, 163.044.1(2) does not have the addition of "regular term" before the term "average daily attendance". Consequently, it appears that \$15M will be allocated per regular term ADA and \$5M will be allocated per tax rate weighted ADA using ADA that includes summer school. Based on this assumption, DESE calculates the following fiscal impact:

§163.044.1 – Increases General Revenue cost by \$5 million

§163.044.1(2) – No change to the total amount to be distributed (stays at \$5 million).

§163.044.2 – Increases General Revenue cost by approximately \$2,705,365 – This estimate assumes that the distribution to districts with 350 or less regular term ADA is \$15 million. The estimated amount per ADA to use in the calculation described in §163.044.2 is \$413. Using 2007-08 regular term ADA, 36 districts were eligible to receive this funding.

Oversight notes that HCS for SCS for SS for SB 291 states the general assembly shall appropriate an amount to be transferred from the Gaming Proceeds for Education Fund.

ASSUMPTION (continued)

§163.095 - Requires the Department of Elementary and Secondary Education to recalculate state school aid for Riverview Gardens School District to correct an error by the district and requires audits and appraisals

Officials from the **Department of Elementary and Secondary Education** state the district impacted by this proposal is Riverview Gardens (096-111). The estimate of the state's increased cost for FY10 is \$1,363,037. The estimates for subsequent years' increased costs are:

FY 11-\$1,578,885

FY 12-\$1,807,903

FY 13-\$2,036,921

DESE assumes the audit and appraisal stipulations will result in costs to the school district. **Oversight** assumes the school district will only be liable for appraisal costs if it decides to sell school property.

According to officials from the **Office of State Auditor (SAU)**, §163.095.2 requires the SAU to audit the Riverview Gardens School District in FY 2012. The audit conducted on this entity by the SAU in FY 2007 cost approximately \$116,000. With the increases in costs since that time, it is estimated that this audit requirement will cost approximately \$150,000.

Officials from Riverview Gardens School District did not respond to a request for fiscal impact.

§163.127 - Minimum teacher salaries

Officials from **DESE** stated they were unable to project a cost for FY 2011 and beyond, but the cost is likely to be several million dollars.

Due to limited information received from DESE, Oversight will assign no fiscal impact to this section at this time.

§165.011 - Amends law relating to the School Capital Projects Fund to allow school districts flexibility when expending money from the American Recovery and Reinvestment Act of 2009

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

ASSUMPTION (continued)

Officials from the **Francis Howell School District** state there would be no negative fiscal impact on their district as a result of this proposed legislation.

§167.018, 167.019, 210.1050 - "Foster Care Education Bill of Rights"

The proposed legislation stipulates that the foster child has the right to remain enrolled in and attend their school of origin pending resolution of school placement disputes. According to officials from the **Department of Social Services - Children's Division**, the Children's Division policy currently addresses this issue in Section 4 Chapter 7.2 of the Child Welfare Manual.

Officials from the **Department of Health and Senior Services** state this section of the proposal will have no fiscal impact on their agency.

Officials from the **Department of Mental Health (DMH)** state that none of the provisions of this proposal appear to place any additional requirements upon their agency; therefore, no fiscal impact is anticipated.

Officials from **DESE** state this section proposal will have no fiscal impact on their agency or on local school districts.

Officials from the **Blue Springs School District** assume this proposal would result in the need for them to hire at least one additional staff member in order to comply with this proposal. Their cost is estimated to be at least \$75,000 annually.

In response to SB 1000 (FN 3989-05) from last year, officials from the **Francis Howell School District** assumed no fiscal impact to their district.

Officials from the **St Charles School District** stated that schools already provide services to students who are in foster care. Sending transcripts, etc., is already required and does not require designation of one person to be responsible.

Officials from the **Poplar Bluff School District** assumed this proposal would impact personnel, but did not assign a cost.

Officials from the **Sikeston School District** assumed they would have to establish an additional protected class which would result in a cost for implementation and training.

ASSUMPTION (continued)

Oversight assumes the only costs to school districts will be administrative and that the school districts can absorb any administrative duties related to this proposal.

§167.151 - Blue Springs and Lee's Summit School District tuition

Neither **DESE** or school districts provided information regarding this section. Oversight will show no fiscal impact at this time.

§167.720 - Physical education requirements

Officials from the **Department of Elementary and Secondary Education (DESE)** state there is no impact for DESE; however, there is an unknown, but estimated over \$100,000 cost for school districts in the state. Not all districts will have problems with these requirements, but other districts could actually have to build more gyms and hire additional staff. Some school districts already provide daily PE for elementary students, but a majority do not. There is also the mandatory recess which is not currently required in Missouri and this could require districts to hire or fund playground supervisors.

Officials from the **Blue Springs School District** state this proposal would require their district to add a minimum of 13 additional with as many as 21 additional physical education teachers at a cost of at least \$650,000 to \$1,000,000 annually.

Officials from the **Special School District of St Louis County** state the proposed legislation would cost their district at least \$550,000 for 10 new physical education teachers. In addition, their district may have to make renovations to one of their buildings to accommodate the increased required for physical education. In addition, the proposal may require the school day to be increased which could increase transportation costs due to the inability to pair routes for schools with extended hours.

Officials from the **Frances Howell School District (FHSD)** responded in the introduced version of this proposal that they currently provide the required number of minutes of physical education instruction, but not on a daily schedule. Physical education is scheduled in a rotation along with art and music. To move to having physical education every day for kindergarten through eighth grade, FHSD would need to increase teaching staff, not only in physical education, but also in art and music.

ASSUMPTION (continued)

FHSD officials estimated they would need to add a minimum of 10 teachers. At a cost of \$60,000 (salary and benefits), the fiscal impact would be \$600,000. This does not include the facility costs that may be incurred, as their district is already running a program at maximum capacity at some of their schools. The move to every day physical education would require expansion of facilities. This would increase the fiscal impact of this proposed legislation.

Officials from the **Parkway School District** estimate the cost of this proposal to be approximately \$800,000, based on a minimum of 15 additional FTE.

In response to a similar proposal from last year (HB 1891 - FN 3959-01), these school districts offered the following assumptions:

Officials from the **Salisbury School District** assumed this proposal would require additional teachers and their district would have to build a facility in which to conduct these classes. Their district is only able to offer 50 minutes each week per elementary class because the current facilities are also used as the lunchroom.

Officials from the **Independence School District** assumed that at the elementary level, it would require additional physical education teachers, additional gym space, and equipment to support this program expansion. At the Middle School students currently participate in P.E. (3/5th of the time) and Health (2/5th of the time). At the High School level, it would require the District to increase graduation requirements for physical education to two units; increase the number of instructors; conflict with advance placement, band, debate, theater, and foreign language courses; and would require more indoor physical education space.

Oversight notes that the language of the proposal states that all school districts shall comply with the requirements of this proposal beginning with the 2010-2011 school year. **Oversight** assumes costs for additional staff would not begin until FY 2011; however, if additional construction of facilities is required, those costs to the districts could begin as early as FY 2010 and would be expected to exceed \$100,000. **Oversight** also notes that although physical education teachers are not required to implement this section, additional staffing would still be needed.

§167.126 - Educational services for hospitalized children

DESE officials assumed no fiscal impact for this section.

ASSUMPTION (continued)

§168.021 - Teacher certification

Officials from the **Department of Higher Education** assume this section would have no direct, foreseeable fiscal impact on their agency.

DESE officials assume adding another classification of educators would require a .5 FTE supervisor. In addition, DESE will incur application and publication costs of approximately \$25,000.

Oversight assumes a limited number of individuals would pursue this limited certification. Although a one semester class in personal finance is now required for high school graduation, **Oversight** assumes most of the classes would be taught by existing certificated staff. **Oversight** further assumes DESE would be able to implement the requirements of this proposed legislation with existing resources. If a significant fiscal impact were to result from this proposal, funds to support the program would be sought through the appropriations process.

§168.110 - Salary schedule modifications

Officials from **DESE** stated this section would have no fiscal impact on their agency.

Oversight assumes the proposal is permissive to school districts and will show no fiscal impact.

§168.221, 168.745, 168.747, 168.749, 168.750 - Teacher Compensation Package

Officials from **DESE** assume the cost associated with this section is capped at \$5,000,000. In addition, DESE will require 1.0 assistant director to administer the provisions.

Oversight assumes this proposal applies only to teachers in the St Louis Public School District. It is unknown how many teachers will chose to give up tenure to participate in this program and for fiscal note purposes only, will not assign a cost for personal services.

§168.251 - Metropolitan school employees

DESE did not provide information regarding this section so **Oversight** will show no fiscal impact at this time.

ASSUMPTION (continued)

§169.020, 169.040, 169.056, 169.070, 169.073, 169.075, 169.090, 169.130, 169.560, 169.630, 169.650, 169.655, 169.660, 169.670, 169.690, 169.750 - Modifies provisions relating to teacher and school employee retirement systems.

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials from the **Public School Retirement System** assume there will be no fiscal impact to their agency.

§170.400 - Supplemental educational services programming

DESE officials assumed no fiscal impact for this section.

§171.031 - School Calendars

Officials from **DESE** and the **Department of Labor and Industrial Relations** state this section will have no fiscal impact on their respective agencies.

§172.360, 173.1110, 174.130, 175.025, 178.635, 178.780, 178.785, 208.009 - Prohibits the enrollment of unlawfully present aliens in public institutions of higher education

Officials from the **Department of Labor and Industrial Relations, Department of Conservation, Department of Transportation,** and the **Department of Revenue** state there is no fiscal impact to their respective agencies.

Officials from the following colleges and universities state this proposal will have no fiscal impact on their respective institutions: **Metropolitan Community College, Missouri Southern State University, Missouri State University, Linn State Technical College, Truman State University, Moberly Area Community College, University of Central Missouri, Missouri Western State University,** and **Lincoln University**

Officials from the **Department of Higher Education** assume that it could perform this additional duty without the appropriation of additional funds or FTE.

ASSUMPTION (continued)

In response to the previous version of this bill, officials at the **University of Missouri** assume this would cost \$1,255,000 due to additional administrative costs to implement the legislation as well as lost revenue from distant education and dual credit students.

Oversight assumes that the costs associated with this proposal will be paid out of the College or Universities' normal operating expenses and that there is no fiscal impact to General Revenue. Additionally, Oversight assumes that the Colleges and Universities will raise their fees to cover the costs of the additional requirements outlined in this proposal.

§173.754 - Prohibits the use or attempted use of false or misleading diplomas for admission to higher education institutions or in connection with businesses or employment

Officials from the **Department of Higher Education** and the **Department of Labor and Industrial Relations** state there will be no fiscal impact to their respective agencies.

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

Officials from the **Metropolitan Community College, Lincoln University, Truman State University, University of Missouri, Missouri Southern State University, Linn State Technical College, Missouri Western State University, Missouri State University** and the **University of Central Missouri** assume that there is no fiscal impact to their respective institutions.

§177.088 - School boards and agreements with certain political subdivisions

Officials from **DESE** state this proposal will have no fiscal impact on their agency or on local school districts.

Officials from the **Sikeston School District, Special School District of St Louis County, Cities of West Plains, Centralia, Kansas City**, and the **Counties of Cass and St Louis** state this section would have no fiscal impact on their respective school districts and political subdivisions.

ASSUMPTION (continued)

§177.301, 177.302, 177.303, 177.304, 177.305, 177.306 - Authorizes school districts to enter into design-build contracts for construction projects costing more than one million dollars

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

Officials from the **Department of Labor and Industrial Relations** state this proposed legislation will have no fiscal impact on their agency.

Officials from the **Poplar Bluff School District** state this proposal could help districts control construction costs.

§210.205 - Quality Rating System for child care facilities

Officials from the **University of Missouri, Missouri House of Representatives** and the **Missouri Senate** each assume the proposal would have no fiscal impact on their respective agencies.

In response to a similar proposal from 2008 (SB726), officials from the **Missouri State Treasurer** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Mental Health (DMH)** states other than collaborating with the Department of Social Services, Department of Health and Senior Services and the Department of Elementary and Secondary Education, this proposed legislation places no requirements upon the DMH. DMH collaborates with other state agencies in many areas and expects no significant cost to the Department associated with this bill.

Officials from the **Department of Elementary and Secondary Education (DESE)** states Section 210.205 requires the use of a specific rating system which the Department is not currently using. All of our Missouri Preschool Project's would need to be changed over to that rating scale. Subsidies would be affected by how well the programs rate on the rating scale, thus impacting the program's finances and ability to serve children.

The fiscal impact is unknown as the Department cannot know how the grantees will perform on the specified rating system.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services** state the following:

Sections 210.205.1. - 3. - Based on discussion with Department of Social Services (DSS), all costs related to the development of the rating system will be included in the DSS fiscal notes response. The Department assumes that any collaboration between the DHSS and the DSS required by the legislation would be accomplished with existing staff and resources. DHSS assumes no cost to develop the rating system.

Section 210.205.4. - The legislation requires DSS to administer the newly created "Early Childhood Program Quality Improvement Grant Fund". The DHSS assumes no cost related to this fund.

Section 210.205.5 - Based on discussion with DSS, their costs related to developing the rating system will include the costs of collection, development and distribution in (1) and (2). Subsection (3) requires that the provider ratings be posted on the Internet. Based on information received from OA ITSD, \$50,000 is included as an estimate of the cost to post this information on the DHSS Internet site. Since ITSD work until rules are promulgated by DSS, it is assumed that ITSD work will not begin until FY 2011. Therefore, it is assumed that this cost would be paid from General Revenue during FY 2011.

Section 210.205.6 - The legislation requires DSS to promulgate rules. The DHSS assumes no cost related to rules.

Potential Future Costs - Implementation of this legislation might result in an increase in the number of licensed facilities with a corresponding increased inspection workload for the Section for Child Care Regulation. If such an increase were to occur, the program would ask for additional staff through the budget process at a later date.

The increased demand for required annual training hours for licensed providers has the potential to exceed the current training capacity of the Missouri Child Care Resource and Referral Network (MOCCRRN). If such an increase were to occur, the program would ask for additional funding through the budget process at a later date.

Officials from the **Department of Social Services** assume the following:

Cost for rating system based on University of Missouri (UM) estimates. The proposed process increases the number of programs rated each year until FY 14 when 70% of the programs will be

ASSUMPTION (continued)

rated. No state with a voluntary Quality Rating System (QRS) has seen participation exceed 70%. The improvement fund calculation has been broken out as it is subject to appropriation. The Children's Division assumes that the licensed child care programs receiving quality improvement funds or services that are mandated to be rated by July 1, 2012, will be included in the first 3 years of implementation. The projected cost per year is:

<u>Year</u>	<u>Percentage Rated</u>	<u>QRS Cost</u>	<u>Improvement Fund</u>	<u>Total</u>
FY10	10%	\$0 to \$714,301	\$0	\$714,301
FY11	27%	\$0 to \$1,196,124	\$0 to \$2,038,000	\$1,196,124 to \$3,234,124
FY12	43%	\$0 to \$1,690,366	\$0 to \$3,310,000	\$1,690,366 to \$5,000,366
FY13	57%	\$0 to \$2,181,936	\$0 to \$4,330,000	\$2,181,936 to \$6,511,936
FY14	70%	\$0 to \$2,684,507	\$0 to \$5,348,000	\$2,684,507 to \$8,032,507

This methodology changed from the previous year fiscal note. It has been determined that the child care providers will be reviewed every 18 months instead of 12 months. This resulted in a significant reduction in the cost to implement the QRS.

Cost for tiered subsidy system is unknown at this time, but is anticipated to be several million dollars. Current subsidy system will need to be revamped. Factors that may influence cost are adjustments to parental sliding fee/co-payment, actual cost variances between the various QRS levels, income eligibility level increases, etc. Since the subsidy will only be implemented after passage of a resolution by the General Assembly, no cost is shown in the fiscal note.

One FTE for QRS UMC grant oversight, i.e. contract development, monitoring, reviewing reporting and outcome requirements and statistical data, liaison between DSS and grantee including coordination with other DSS programs, providing technical assistance to grantee, and payment of invoices. This FTE will also be the liaison with the Coordinating Board for Early Childhood in developing and implementing a tiered reimbursement system.

This version of the legislation establishes DSS to enter into a contract with a non-government organization/s for the purpose of the Quality Improvement Grant disbursement. While it is unknown the amount needed to contract this process, the Division is anticipating a fiscal impact of unknown but greater than \$100,000.

ASSUMPTION (continued)

Oversight notes that this proposal would create a fund which shall consist of gifts, donations, bequests, transfers, and moneys appropriated by the General Assembly. Oversight assumes the fund would receive some gifts, etc, but Oversight assumes that all or virtually all of this funding would be transferred or appropriated from the General Revenue Fund.

Oversight has, for fiscal note purposes only, assumed this proposal will be appropriated and reflexed the cost without a "\$0 to" range.

§301.4006 - Nixa Education Foundation specialty license plate

Officials from the **Department of Corrections - Missouri Vocational Enterprises** state this proposal will have no fiscal impact on their agency.

Officials from the **Department of Revenue (DOR)** state that the number of eligible applicants is unknown. However, for each 100 specialty plate applications received, there will be an increase in revenue each year from the \$15 specialty plate fee of \$1,500 that would be distributed 75% to highway fund, 15% to cities, and 10% to counties. DOR will need to revise procedures, update the TRIPS plate table, and request funding in the amount of \$1,500 for every 100 specialty applications received for application, plate set-up, postage, envelope, notification, and plate costs.

Officials from the **Nixa Public School District** responded but did not indicate any fiscal impact.

Oversight assumes contributions received by the Nixa Education Foundation would in turn be used for Nixa Public School District purposes. **Oversight** assumes this would be an indirect result of this proposed legislation and will show no fiscal impact.

§313.822 - Audit requirements

The Office of State Auditor will no longer be required to perform an annual audit of the Schools First Elementary and Secondary Education Improvement Fund.

Oversight assumes no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Savings</u> - Reduced state transportation aid (§160.011, 160.041, 171.029)	\$0 to \$30,859,350	\$0 to \$30,859,350	\$0 to \$30,859,350
<u>Savings</u> - Reduced GR expense to fund foundation formula (§163.043)	\$108,600,000	\$108,600,000	\$108,600,000
<u>Cost</u> - Department of Elementary and Secondary Education (DESE) - Increased state aid due to increase in State Adequacy Target (§163.011)	(\$48,513,197)	(\$48,513,197)	(\$48,513,197)
<u>Cost</u> - Department of Labor and Industrial Relations - Administrative and hearing costs (§160.1100 - 160.1148)	(Unknown - Not expected to exceed \$100,000)	(Unknown - Not expected to exceed \$100,000)	(Unknown - Not expected to exceed \$100,000)
<u>Cost</u> - DESE - Increased state aid (§163.011)	(\$66,300,000)	(\$66,300,000)	(\$66,300,000)
<u>Cost</u> - DESE - Senior Cadets Program (§160.375)			
Personal Costs (1 FTE)	\$0	(\$28,507)	(\$29,363)
Fringe Benefits	\$0	(\$13,863)	(\$14,279)
Expense and Equipment	<u>\$0</u>	<u>(\$1,280)</u>	<u>(\$1,319)</u>
Total administrative costs	\$0	(\$43,650)	(\$44,961)
FTE Change - DESE	1 FTE	1 FTE	1 FTE
<u>Cost</u> - DESE - Reimbursements to the Cadet Program (§160.375)	\$0	\$0	(\$5,791,503)
<u>Cost</u> - DESE - Contract costs for study of charter school performance (§160.400)	(\$200,000)	\$0	\$0

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
<u>Cost - DESE - A+ Program book reimbursement</u> (§160.545)	(\$6,614,706)	(\$6,614,706)	(\$6,614,706)
<u>Cost - DESE - A+ Program expansion</u> (§160.545)	\$0 to (\$5,121,378)	\$0 to (\$11,307,256)	\$0 to (\$12,628.371)
<u>Cost - DESE</u>			
Personal Services (1 FTE)	(\$28,098)	(\$34,730)	(\$35,772)
Fringe Benefits	(\$13,664)	(\$16,889)	(\$17,396)
Equipment and Expenses	<u>(\$3,597)</u>	<u>(\$1,281)</u>	<u>(\$1,318)</u>
<u>Total Costs - DESE</u> (§160.545)	(\$45,360)	(\$52,900)	(\$54,486)
FTE Change - DESE	1 FTE	1 FTE	1 FTE
 <u>Cost - DESE</u>			
Personal Service (1.5 FTE)	(\$34,484)	(\$42,623)	(\$43,901)
Fringe Benefits	(\$16,770)	(\$20,728)	(\$21,349)
Equipment and Expense	<u>(\$3,991)</u>	<u>(\$1,766)</u>	<u>(\$1,819)</u>
<u>Total Costs - DESE</u> (§168.133)	(\$55,245)	(\$65,117)	(\$67,069)
FTE Change - DESE	1.5 FTE	1.5 FTE	1.5 FTE
 <u>Cost - Department of Health and Senior Services (DHSS)</u>			
Personal Service (temporary staff)	(\$467,958)	\$0	\$0
Personal Service (permanent staff)	(\$27,686)	(\$34,220)	(\$35,247)
Fringe Benefits	(\$13,464)	(\$16,641)	(\$17,141)
Equipment and Expense	<u>(\$306,203)</u>	<u>(\$26,795)</u>	<u>(\$27,568)</u>
<u>Total Costs - DHSS</u> (§168.133)	(\$815,311)	(\$77,656)	(\$79,956)
FTE Change - DHSS	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
<u>Cost – Department of Social Services – Children’s Division (DOS) (§210.152)</u>			
Personal Service	(\$2,249,568)	(\$2,317,055)	(\$2,386,566)
Fringe Benefits	(\$1,093,965)	(\$1,126,784)	(\$1,160,587)
Equipment and Expense	(\$1,091,050)	(\$465,644)	(\$479,613)
FACES System Changes	(\$2,000,700)	(\$465,644)	(\$479,613)
<u>Total Costs – DOS (§210.152)</u>	<u>(\$6,435,283)</u>	<u>(\$4,375,127)</u>	<u>(\$4,506,379)</u>
FTE Change – DOS	68.24 FTE	68.24 FTE	68.24 FTE
 <u>Cost – Department of Social Services – Legal Services Division (LSD) (§210.152)</u>			
Personal Service	(\$18,047)	(\$22,315)	(\$22,984)
Fringe Benefits	(\$8,776)	(\$10,852)	(\$11,177)
Equipment and Expense	(\$5,806)	(\$5,021)	(\$5,172)
<u>Total Costs – DOS- LSD (§210.152)</u>	<u>(\$32,629)</u>	<u>(\$38,188)</u>	<u>(\$39,333)</u>
FTE Change – DLS	.56 FTE	.56 FTE	.56 FTE
 <u>Cost - Department of Higher Education (DHE) - FAMOUS Computer upgrade (§173.268)</u>			
	(\$170,000)	\$0	\$0
 <u>Cost - DHE</u>			
Personal Services (1.5 FTE)	(\$43,028)	(\$53,183)	(\$54,778)
Fringe Benefits	(\$20,925)	(\$25,863)	(\$26,639)
Equipment and Expenses	(\$14,160)	(\$655)	(\$675)
<u>Total Cost - DHE (§173.268)</u>	<u>(\$78,113)</u>	<u>(\$79,701)</u>	<u>(\$82,092)</u>
FTE Change - DHE	1.5 FTE	1.5 FTE	1.5 FTE
 <u>Cost - DHE -Scholarship funding (Missouri Promise Program) (§173.268)</u>			
	(\$19,960,129)	(\$42,082,290)	(\$56,241,651)
 <u>Cost - DHE - Increased Bright Flight Scholarships (§173.250)</u>			
	(\$4,000)	(\$19,000)	(\$33,000)

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
<u>Cost - DESE - Funding for drop-out prevention efforts</u> (§160.950)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)
<u>Cost - DESE - Drop-out prevention efforts</u> (§160.950)			
Personal Services (2 FTE)	(\$56,124)	(\$69,369)	(\$71,450)
Fringe Benefits	(\$27,293)	(\$33,734)	(\$34,746)
Expense and Equipment	<u>(\$6,851)</u>	<u>(\$2,134)</u>	<u>(\$2,198)</u>
Total Administrative Costs	(\$90,268)	(\$105,237)	(\$108,394)
FTE Change - DESE	2 FTE	2 FTE	2 FTE
 <u>Cost - DESE - Costs relating to studies, evaluation, and testing relating to standard and efficiency of instruction</u> (§161.122)	 (Unknown - Could exceed \$100,000)	 (Unknown - Could exceed \$100,000)	 (Unknown - Could exceed \$100,000)
 <u>Cost - DESE - Reimbursements to school volunteers</u> (§161.800)	 (Unknown - Expected to exceed \$100,000)	 (Unknown - Expected to exceed \$100,000)	 (Unknown - Expected to exceed \$100,000)

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
<u>Cost - DESE - Volunteer and Parents Incentive Program (\$161.800)</u>			
Personal Costs (2 FTE)	(\$65,011)	(\$80,354)	(\$82,764)
Fringe Benefits	(\$31,615)	(\$39,076)	(\$40,248)
Expense and Equipment	(\$6,851)	(\$2,134)	(\$2,198)
Other Costs - Develop tracking and payment systems	<u>(Unknown)</u> (\$103,477 to	<u>\$0</u>	<u>\$0</u>
Total administrative Costs	Unknown)	(\$121,564)	(\$125,210)
 FTE Change - DESE	 2 FTE	 2 FTE	 2 FTE
 <u>Cost - DESE - Translation costs for "Parents' Bill of Rights" (\$161.850)</u>			
	(Unknown - Up to \$40,700)	\$0	\$0
 <u>Cost - Department of Elementary and Secondary Education (DESE) - Increased state aid (\$163.095)</u>			
	(\$1,363,037)	(\$1,578,885)	(\$1,578,885)
 <u>Cost - Office of State Auditor - Follow-up audit of 2007 audit of Riverview Gardens School District (\$163.095)</u>			
	\$0	\$0	(\$150,000)
 <u>Cost - DESE - Missouri Preschool Grant Program (\$162.1168)</u>			
	(\$5,000,000 to Unknown)	(\$5,000,000 to Unknown)	(\$5,000,000 to Unknown)
 <u>Cost - DESE - Funding of Teacher Choice Compensation Package (\$168.745)</u>			
	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
<u>Cost - Department of Social Services - Quality Rating System Program Improvement Grant (§210.205)</u>	(\$759,911)	(Unknown but Greater than \$3,382,115)	(Unknown but Greater than \$5,149,796)
<u>Cost - DESE - Program changes (§210.205)</u>	(Unknown)	(Unknown)	(Unknown)
<u>Cost - Department of Health and Senior Services - Post information on Internet site (§210.205)</u>	\$0	(\$50,000)	\$0
<u>Cost - Department of Revenue - Processing costs for special license plate (§301.4006)</u>	(Unknown - Less than \$100,000)	(Unknown - Less than \$100,000)	(Unknown - Less than \$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$22,381,316</u> <u>Up to</u> <u>\$58,402,744 to</u> <u>Unknown)</u>	<u>(\$44,339,983</u> <u>Up to</u> <u>\$86,506,589 to</u> <u>Unknown)</u>	<u>(\$66,321,268</u> <u>Up to</u> <u>\$108,487,874 to</u> <u>Unknown)</u>
Estimated Net Effect on FTE for General Revenue	78.8 FTE	78.8 FTE	78.8 FTE
CRIMINAL RECORDS FUND			
<u>Revenues – Missouri State Highway Patrol</u>			
Criminal record checks (§168.133)	<u>\$1,080,000</u>	<u>\$108,000</u>	<u>\$108,000</u>
ESTIMATED NED EFFECT ON CRIMINAL RECORDS FUND	<u>\$1,080,000</u>	<u>\$108,000</u>	<u>\$108,000</u>

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

STATE ROAD FUND

Loss - Department of Transportation - Motor fuel tax exemption for school bus operation (§142.814)	<u>(\$1,964,000)</u>	<u>(\$3,266,000)</u>	<u>(\$2,377,000)</u>
--	----------------------	----------------------	----------------------

ESTIMATED NET EFFECT ON STATE ROAD FUND	<u>(\$1,964,000)</u>	<u>(\$3,266,000)</u>	<u>(\$2,377,000)</u>
--	-----------------------------	-----------------------------	-----------------------------

HIGHWAY FUND

Income - Specialty license plate fees (§301.4006)	Unknown - Less <u>than \$100,000</u>	Unknown - Less <u>than \$100,000</u>	Unknown - Less <u>than \$100,000</u>
--	---	---	---

ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>Unknown - Less than \$100,000</u>	<u>Unknown - Less than \$100,000</u>	<u>Unknown - Less than \$100,000</u>
---	---	---	---

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
GAMING PROCEEDS FOR EDUCATION FUND			
<u>Income</u> - Increased gaming tax receipts due to repeal of loss limits (§163.043)	\$108,600,000	\$108,600,000	\$108,600,000
<u>Transfer Out</u> - Transfer to Classroom Trust Fund (§163.043)	(\$108,600,000)	(\$108,600,000)	(\$108,600,000)
<u>Transfer Out</u> - To School Districts - Small schools appropriation (§163.172)	(\$7,705,365)	(\$7,705,365)	(\$7,705,365)
ESTIMATED NET EFFECT ON GAMING PROCEEDS FOR EDUCATION FUND	<u>(\$7,705,365)</u>	<u>(\$7,705,365)</u>	<u>(\$7,705,365)</u>
CLASSROOM TRUST FUND			
<u>Transfer In</u> - Transfer from Gaming Proceeds for Education Fund (§163.043)	\$108,600,000	\$108,600,000	\$108,600,000
<u>Transfer In</u> - Transfer from Gaming Proceeds for Education Fund (§163.044)	\$7,705,365	\$7,705,365	\$7,705,365
<u>Transfer Out</u> - Distribution to School Districts (§163.044)	(\$7,705,365)	(\$7,705,365)	(\$7,705,365)
<u>Transfer Out</u> - Distribution to School Districts (§163.043)	<u>(\$108,600,000)</u>	<u>(\$108,600,000)</u>	<u>(\$108,600,000)</u>
ESTIMATED NET EFFECT ON CLASSROOM TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
STATE SCHOOL MONEYS FUND			
<u>Transfer In</u> - General Revenue - Increased state aid due to increase in State Adequacy Target (§163.011)	\$48,513,197	\$48,513,197	\$48,513,197
<u>Transfer In</u> - General Revenue - Increased state aid (§163.095)	\$1,363,037	\$1,578,885	\$1,807,903
<u>Transfer In</u> - General Revenue - Increased state aid (§163.011)	\$66,300,000	\$66,300,000	\$66,300,000
<u>Transfer Out</u> - Distribution to school districts (§163.011)	(\$48,513,197)	(\$48,513,197)	(\$48,513,197)
<u>Transfer Out</u> - Distribution to Riverview Gardens School District (§163.095)	(\$1,363,037)	(\$1,578,885)	(\$1,807,903)
<u>Transfer Out</u> - School Districts - State aid	<u>(\$66,300,000)</u>	<u>(\$66,300,000)</u>	<u>(\$66,300,000)</u>
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
PERSISTENCE TO GRADUATION FUND			
<u>Transfer In</u> - General Revenue - Funding for drop-out prevention efforts (\$160.950)	Unknown - Expected to Exceed \$100,000	Unknown - Expected to Exceed \$100,000	Unknown - Expected to Exceed \$100,000
<u>Disbursements</u> - School Districts - Grants for drop-out prevention efforts (\$160.950)	(Unknown - Expected to Exceed <u>\$100,000</u>)	(Unknown - Expected to Exceed <u>\$100,000</u>)	(Unknown - Expected to Exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON PERSISTENCE TO GRADUATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
 TEACHER CHOICE COMPENSATION FUND			
<u>Transfer In</u> - General Revenue - Funding for Teacher Choice Compensation Package (\$168.745)	\$5,000,000	\$5,000,000	\$5,000,000
<u>Transfer Out</u> - School Districts - Teacher Stipends (\$168.745)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
 ESTIMATED NET EFFECT ON TEACHER CHOICE COMPENSATION FUND	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>

<u>FISCAL IMPACT - Federal Funds</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
FEDERAL FUNDS			
<u>Income - Department of Social Services</u>			
Federal Assistance	\$17,213	\$18,113	\$18,656
<u>Cost – Department of Social Services – Children’s Division (DOS)</u>			
Personal Service	(\$849,010)	(\$874,481)	(\$900,715)
Fringe Benefits	(\$412,874)	(\$425,260)	(\$438,018)
Equipment and Expense	(\$411,774)	(\$175,739)	(\$181,011)
FACES System Changes	<u>(\$631,800)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs – DOS (\$210.152)</u>	(\$2,305,458)	(\$1,475,480)	(\$1,519,744)
Net FTE Change – DOS	25.76 FTE	25.76 FTE	25.76 FTE
<u>Cost – Department of Social Services – Legal Services Division (LSD) (\$210.152)</u>			
Personal Service	(\$14,179)	(\$17,533)	(\$18,059)
Fringe Benefits	(\$6,895)	(\$8,526)	(\$8,782)
Equipment and Expense	<u>(\$4,562)</u>	<u>(\$3,945)</u>	<u>(\$4,063)</u>
<u>Total Costs – DOS - LSD (\$210.152)</u>	<u>(\$25,636)</u>	<u>(\$30,004)</u>	<u>(\$30,904)</u>
Net FTE Change – LSD	.44 FTE	.44 FTE	.44 FTE
<u>Cost - Department of Social Services</u>			
Personal Services	(\$9,098)	(\$11,250)	(\$11,587)
Fringe Benefits	(\$4,424)	(\$5,471)	(\$5,635)
Equipment and Expense	(\$3,691)	(\$1,392)	(\$1,434)
<u>Total Costs - DSS</u>	<u>(\$17,213)</u>	<u>(\$18,113)</u>	<u>(\$18,656)</u>
FTE Change - DSS	.27 FTE	.27 FTE	.27 FTE
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(\$2,331,094)</u>	<u>(\$1,505,484)</u>	<u>(\$1,550,648)</u>
Estimated Net FTE Change for Federal Funds	26.47 FTE	26.47 FTE	26.47 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> - School Districts - Food Service and Utility Costs (§160.011, 160.041, 171.029)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Income</u> - School Districts - Grants from Persistence to Graduation Fund for drop-out prevention efforts (§160.950)	Unknown - Expected to exceed \$100,000	Unknown - Expected to exceed \$100,000	Unknown - Expected to exceed \$100,000
<u>Income</u> - School Districts - Increased state aid due to increase in State Adequacy Target (§163.011)	\$48,513,197	\$48,513,197	\$48,513,197
<u>Income</u> - Riverview Gardens School District - Increased state aid (§163.095)	\$1,363,037	\$1,578,885	\$1,807,903
<u>Income</u> - School Districts - Increased state aid (§163.011)	\$66,300,000	\$66,300,000	\$66,300,000
<u>Income</u> - School Districts - Grants for preschools (§162.1168)	\$2,500,000 to Unknown	\$2,500,000 to Unknown	\$2,500,000 to Unknown
<u>Income</u> - Small School Districts - Increased disbursements from Classroom Trust Fund (§163.044)	\$7,705,365	\$7,705,365	\$7,705,365
<u>Income</u> - School Districts - Increased disbursements from Classroom Trust Fund (§163.043)	\$108,600,000	\$108,600,000	\$108,600,000
<u>Income</u> - Cities and Counties - Specialty plate fees (§301.4006)	Unknown - Less than \$100,000	Unknown - Less than \$100,000	Unknown - Less than \$100,000

<u>FISCAL IMPACT - Local Government</u> (Continued)	FY 2010 (10 Mo.)	FY 201	FY 2012
<u>Transfer In - St Louis Public School District - Teacher stipends from Teacher Choice Compensation Fund (\$168.745)</u>	\$5,000,000	\$5,000,000	\$5,000,000
<u>Cost - School Districts - Administrative costs for Senior Cadet Program (\$160.375)</u>	\$0	\$0	(Expected to exceed \$100,000)
<u>Cost - Kansas City Missouri Public School District - Election costs (\$162.492)</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost - Schools Districts - Provisions of Amy Hestir Student Protection Act</u>	(Unknown)	(Unknown)	(Unknown)
<u>Cost - St Louis Public School District - Disbursement of stipends to teachers (\$168.745)</u>	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
<u>Cost - School Districts - Construction costs for facilities for expanded physical education requirement (\$167.720)</u>	(Expected to exceed \$100,000)	\$0	\$0
<u>Cost - School Districts - Additional staffing required for expanded physical education requirement (\$167.720)</u>	(Expected to exceed \$100,000)	(Expected to exceed \$100,000)	(Expected to exceed \$100,000)
ESTIMATED NET EFFECT ON LOCAL SUBDIVISIONS	<u>Up to</u> <u>\$234,881,599</u>	<u>Up to</u> <u>\$235,197,447</u>	<u>Up to</u> <u>\$235,326,465</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposed legislation makes several modifications relating to school funding. Those with fiscal impact are as follows:

§37.710, 160.085, 160.261, 160.262, 162.014, 162.068, 162.069, 168.021, 168.071, 168.133, 210.135, 210.145, 210.152, 210.915, 210.922, 556.037 - "Amy Hestir Student Protection Act"

In order to obtain a teaching certificate, an applicant must complete a background check as provided in section 168.133 (Section 168.021).

The proposal changes, from two to one, the number of sets of fingerprints an applicant must submit for a criminal history background check. An employee employed after July 1, 2010, who is required to undergo a criminal background check must register with the family care safety registry. The Department of Elementary and Secondary Education must facilitate an annual check for employees with active teaching certificates against criminal history records in the central repository, sexual offender registry, and child abuse central registry. The Missouri Highway Patrol must provide ongoing electronic updates to criminal history background checks for those persons previously submitted by the Department of Elementary and Secondary Education (Section 168.133).

The Children's Division may reopen a case for review at the request of any party to the investigation if information is obtained that the investigation was not properly conducted under the provisions of Chapter 210, RSMo, or if new information becomes available (Section 210.152).

The proposal adds the Department of Elementary and Secondary Education to the list of departments that must collaborate to compare records on child-care, elder-care, and personal-care workers, including those individuals required to undergo a background check under section 168.133 and who may use registry information to carry out assigned duties (Sections 210.915 and 210.922)

FISCAL DESCRIPTION (continued)

§142.814 - Exempts motor fuel used to operate school buses transporting students for educational purposes from the motor fuel tax.

This section exempts fuel used to operate school buses transporting students for educational purposes from the motor fuel tax.

§160.011, 160.041, 171.029, 171.031, 171.033 - Permits school districts to adopt a four-day school week and a school flex schedule

This proposed legislation allows school districts to establish a four-day week upon a majority vote of the school board. The number of required hours in a school year remains at 1,044, but the number of days will be 142 rather than 174.

§160.534, 163.011, 163.043, 313.822 - School Funding

This proposed legislation modifies the elementary and secondary education funding formula. It removes from the calculation of the state adequacy target the inclusion of the gaming revenues from the repeal of the loss limits. This becomes effective July 1, 2009. Beginning on July 1, 2010, the moneys derived from the passage of Proposition A will be deposited into the Classroom Trust Fund and distributed to school districts in that manner.

Current law provides that current operating expenditures shall include, in part, any increases in state funding subsequent to fiscal year 2005, not to exceed 5%, per recalculation, of state revenue, received by a district in the 2004-2005 school year. This act removes the 5% limit on increases in state funding per recalculation. This becomes effective July 1, 2010.

This proposal defines "Gifted Education Pupil Count" as the number of students who qualify as "gifted" under Section 162.675 and who are enrolled in a school district's gifted education program on the last Wednesday in January for the preceding school year. This number must not exceed five percent of a school district's enrollment for the immediately preceding academic year. This act modifies the definition of "weighted average daily attendance" by including in the calculation the product of .25 multiplied by the number of the district's gifted education pupil count. This becomes effective July 1, 2010.

This proposal provides that for the 2010-2011 school year and beyond, all proceeds a school district receives from the Classroom Trust Fund in excess of the amount it received in the 2009-2010 school year must be placed to the credit of the school district's teachers' and incidental funds. This becomes effective July 1, 2009.

DESCRIPTION (continued)

This proposal repeals the Schools First Elementary and Secondary Education Improvement Fund on July 1, 2010 and modifies the audit that will be conducted by the State Auditor, which becomes effective July 1, 2009.

§160.545, 173.250, 173.268 - Modifies the A+ Schools Program, creates the Missouri Promise Program, modifies the Higher Education Academic Scholarship Program (Bright Flight) to provide scholarship opportunities to students attending certain public and private higher education institutions.

A+ SCHOOLS PROGRAM - Current law provides that public high schools may receive grant awards to modify and improve their curriculum. This proposed legislation eliminates these grant awards.

Currently, in order to receive reimbursements through the A+ Program, a student must attend and graduate from a high school that has been designated as an A+ school by the Department of Elementary and Secondary Education. To be an A+ school, a high school must meet various requirements, including meeting certain curricular standards, as designated in Department of Elementary and Secondary Education rules. Instead, this proposal shifts eligibility for students to receive reimbursements through the A+ Program from having to attend an A+ designated high school to students who meet the requirements identified in this act. Many of the requirements for A+ reimbursements that exist in rules promulgated by the Department of Elementary and Secondary Education are codified in this proposal.

A student must make a documented good faith effort to first secure all available post-secondary student financial assistance funds that do not require repayment. The financial incentives in this act are subject to appropriation and are available only after all other post-secondary student financial assistance funds have been applied to costs. The awards will be available to reimburse the unpaid balance of the cost of tuition, general fees, and up to fifty percent of the book cost for a student, in that order.

Missouri institutions of higher education, as described in the proposal, must verify certain information for each student who receives a financial incentive and attends such an institution. By the end of the first semester of a student's participation, the institution of higher education must verify that student eligibility has been received from the student's high school of graduation and that the eligible student is enrolled full-time, and also that the student has made a good faith effort to secure all available post-secondary student financial assistance funds. During the second semester, and any subsequent semester, of a student's receipt of financial incentives, the

FISCAL DESCRIPTION (continued)

institution of higher education must verify that the eligible student continues to be enrolled full-time, the student continues to make good faith efforts to secure all available post-secondary student financial assistance funds, and that the student maintains a grade point average of 2.5 or higher on a 4.0 scale.

Current law provides the same requirements and qualifications to participate in the A+ Schools Program for private career-technical schools and public career-technical schools. This proposal removes public career-technical schools from those requirements. This proposal also adds state technical colleges to the schools that may participate in the program.

HIGHER EDUCATION ACADEMIC SCHOLARSHIP PROGRAM - This proposed legislation makes changes to the Higher Education Academic Scholarship Program (Bright Flight). It specifies that a student must be a Missouri resident in order to be eligible for a scholarship. In addition, it expands scholarship eligibility to individuals who have received a General Education Development diploma (GED) or who have completed a home schooling program of study.

The qualifying score necessary for a student to receive a scholarship will be determined at the beginning of an eligible student's final year of secondary course work.

Current law provides that in fiscal year 2011 and beyond, a student scoring between the top 3-5% of Missouri ACT or SAT test-takers will receive a \$1,000 scholarship. This proposal provides that a student scoring in the top 5% of Missouri ACT test-takers will be offered a \$1,000 scholarship, with an additional result being that a test-taker scoring in the top 3% would receive \$4,000.

Current law allows a student to receive a renewal scholarship for the second, third, and fourth academic years. This act allows a student to renew the scholarship for as long as the student is in compliance with the renewal requirements described in the proposal.

If a scholarship recipient cannot attend an approved institution because of military service with the United States Armed Forces, the student will receive the scholarship if he or she returns to full-time status within six months after ending military service. The student must verify to the Coordinating Board for Higher Education that the military service was satisfactorily completed.

MISSOURI PROMISE PROGRAM - The Commissioner of Higher Education will establish scholarships beginning in academic year 2009-2010 for certain public four-year institutions, as described in the act, for students who previously received a scholarship under the A+ reimbursement program and completed a designated Associate's Degree and enroll in an

FISCAL DESCRIPTION (continued)

approved institution within nine months of completion. Additional eligibility requirements include: a good faith effort to first secure other sources of funding; maintaining full-time enrollment; maintaining a record of good citizenship and avoidance of the unlawful use of drugs and alcohol; and maintaining a 3.0 GPA on a 4.0 scale while receiving the scholarship. A student cannot receive a scholarship for more than six semesters.

If a student has a grade point average that falls below a 3.0 on a 4.0 scale, the student will be granted a one semester grace period. The student will lose eligibility if the student cannot subsequently raise his or her GPA to a 3.0.

A student's scholarship amount must be reduced by the amount of a student's award under all other sources of post-secondary student financial assistance.

Scholarships under this section will be subject to appropriation. If appropriations are insufficient to provide scholarships for all eligible students, scholarships to students attending two-year schools under the A+ reimbursement program must be fully funded before scholarships can be distributed to students attending four year schools. In addition, scholarship amounts can be prorated if necessary. Any proration or reduction must take into account the order of priority for distribution of financial incentives to students (tuition, fees, books).

The Commissioner of Higher Education must develop a procedure for evaluating the effectiveness of this program, which will be conducted every two years. The results of the evaluation must be sent to the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the Senate.

§160.1100, 160.1103, 160.1106, 160.1109, 160.1112, 160.1115, 160.1118, 160.1121, 160.1124, 160.1127, 160.1130, 160.1133, 160.1136, 160.1139, 160.1142, 160.1145, and 160.1148 - Establishes the Professional Relationships Between Teachers and School Districts Act

This portion of the proposed legislation establishes the Professional Relationships Between Teachers and School Districts Act which specifies the procedures under which local school boards can meet and negotiate with employee organizations.

School employers will be fined up to \$5,000 for an illegal lockout, and each member of the public school employer's governing board and school superintendent will be subject to a \$250 fine per day for an illegal lock out.

FISCAL DESCRIPTION (continued)

Each school district and employee organization must enter into a written agreement which will be sent to the local school board after it is ratified by the employee organization to accept or send back for further negotiating at which time the local school board may enter into impasse procedures or arbitration as allowed by school district policy. The agreement is binding after ratification by the employee organization and approval by the local board of education and is a public document. The negotiation meetings are covered under the Open Meetings and Records Law, commonly known as the Sunshine Law.

§163.095 - Requires the Department of Elementary and Secondary Education to recalculate state school aid for Riverview Gardens School District to correct an error by the district and requires audits and appraisals

This section requires the Department of Elementary and Secondary Education (DESE) to recalculate the state school aid for the Riverview Gardens School District due to the district setting its levy in the capital projects fund instead of the incidental fund in calendar year 2005. DESE shall calculate the amount the district would have received in state foundation formula revenue for the fiscal year 2006 had the district placed the entire operating levy amount in the incidental fund and shall use this revised 2005-2006 calculated funding amount in determining the distribution of foundation formula aid for the 2009-2010 school year and subsequent years. The revised calculation shall not change the funding to the district for any year prior to the 2009-2010 school year.

After the completion of the 2010-2011 fiscal year, the state auditor shall perform a follow-up audit for the school district to determine to what extent the issues addressed in the district's 2007 audit have been addressed. The school district shall obtain an independent appraisal prior to selling real property.

§162.492 - Elections for School Board Vacancies

This proposed amendment provides that any vacancies that occur on the school board of the Kansas City School District will be filled by special election instead of by appointment by board members. The State Board of Education is responsible for ordering a special election when a vacancy occurs.

§162.1168 - Missouri Preschool Plus Grant Program

This proposed amendment creates the Missouri Preschool Plus Grant Program as a pilot program within the Missouri Preschool Project. The program will serve up to 1250 students with

FISCAL DESCRIPTION (continued)

preschool services and will be administered by the Department of Elementary and Secondary Education (DESE) in collaboration with the Coordinating Board for Early Childhood. School districts that are classified as unaccredited and non-sectarian community-based organizations located within such school districts may receive grants. Grants run for three years and are renewable. At least fifty percent of the placements must be offered through non-sectarian community-based organizations. Children who are one or two years away from kindergarten entry may participate in the program. Children of active duty military personnel will receive admission preference.

If a school district becomes classified as provisionally accredited or accredited, it may complete the length of an existing grant and be eligible for one additional renewal for three years. The program must comply with current early childhood standards. Community-based organization grantees may employ teachers with at least an associate's degree provided they show they are on the path to obtaining a bachelor's degree within five years. School districts and non-sectarian community-based organizations must collect short-term and long-term data about student performance where feasible. DESE must make a good faith effort to collect long-term student performance data as required in the act for students who attend non-public schools.

DESE will accept applications in a competitive bid process to begin implementing the program in the 2010-2011 school year. The program will be funded through general appropriations and will not be funded through money from the Gaming Commission Fund. The General Assembly must appropriate an amount sufficient to adequately fund the program, which shall be at least \$5 million in any fiscal year.

The provisions of this section will expire in six years unless reauthorized.

§160.950 - Persistence to Graduation Fund

This section creates the Persistence to Graduation Fund. DESE will establish a procedure for school districts to apply for grants to implement drop-out prevention strategies. Grants may be available to school districts that have at least sixty percent of students eligible for a free and reduced lunch. Grants will be awarded for one to five consecutive years. Upon expiration, a school district may apply for an extension. DESE must give preferences to school districts that propose a holistic approach to drop-out prevention as described in the act. DESE may stop payments to a district if it determines that the district is misusing funds or if the district's program is deemed ineffectual. DESE must provide written notice thirty days prior to cessation of funds. DESE must report annually to the General Assembly the recipients and amount of grants and data for the preceding five years for each recipient district.

FISCAL DESCRIPTION (continued)

§160.400 - Charter School Performance Study

DESE will commission a study comparing the performance of charter school students with an equivalent group of district students representing an equivalent demographic and geographic population. DESE will also study charter schools' impact on the constituents of the district in which they serve by using a contractor through a proposal process. DESE must coordinate the request for proposal process with individuals representing charter schools and the districts in which the charter schools are located. The student performance assessment must include, but may not be limited to: MAP test performance; student re-enrollment rates; educator, parent, and student satisfaction data; graduation rates; and performance of students enrolled in the same public school for three or more consecutive years.

§168.221, 168.745, 168.747, 168.749, 168.750 - Teacher Choice Compensation Package - St Louis City School District

This amendment creates the "Teacher Choice Compensation Package" for the St. Louis City School District to permit performance-based salary stipends, upon the decision of a teacher, to reward teachers for objectively demonstrated superior performance. It also creates the Teacher Choice Compensation Fund in the State Treasury. The General Assembly must annually appropriate \$5 million to the fund.

A teacher must give up his or her right to a permanent appointment for the duration of his or her employment with the school district to participate in the Teacher Choice Compensation Package. If a teacher chooses to no longer participate in the Compensation Package, he or she may not resume permanent teacher status with the district. Teachers will qualify annually in October. Stipends will be offered in increments of five thousand dollars, up to fifteen thousand dollars but must not exceed fifty percent of a teacher's base salary as described in the proposal. DESE will make a payment to the district in the amount of the stipend, which will be delivered as a lump sum in January following the October qualification. If funds are insufficient, DESE may prorate payments.

The Teacher Choice Compensation Package will be open to every person employed by the St. Louis City School District regardless of certification status, provided the other requirements are satisfied. Stipends will be prorated for part-time employees and will be forfeited for any teacher dismissed for cause.

FISCAL DESCRIPTION (continued)

Beginning with the 2010-2011 school year, teachers who opt out of their permanent contract may be eligible based on the following: student scores on a value-added test instrument as described in the proposal, evaluations by principals or other administrators, evaluations by parents, and evaluations by students. DESE must develop or identify model instruments for use by school districts, which may also use or develop their own instruments. DESE must develop criteria for determining eligibility for stipend increments. Test-scores will be given more weight than evaluations. The level of scores required must take into account classroom demographics.

§161.850 - Parents' Bill of Rights

This section requires the DESE to produce "The Parents' Bill of Rights," to inform parents of children with an individualized education program of their educational rights under federal and state law by January 1, 2010. The publication must state it does not confer any right or rights beyond those conferred by federal or state law. In addition, the publication must state that it is only for informational purposes. The publication must contain ten points of information, which are described in the proposal. DESE must post a copy of it on its website.

Each school district must provide a copy of "The Parents' Bill of Rights" upon initial referral for evaluation and at any such time as a school district is required under state or federal law to provide the parent or parents with notice of procedural safeguards.

§167.018, 167.019, 210.1050 - Foster Care Education Bill of Rights

This section establishes the "Foster Care Education Bill of Rights." Each school district must designate a staff person to be an educational liaison for foster care children. This liaison would assist with proper educational placements, transferring between schools, ensuring transfer of grades and credits, requesting school records, and submitting school records that have been requested.

A child placing agency will promote educational stability for foster care children when making placements. A foster care child may continue to attend his or her school of origin pending resolution of a dispute. Each school district must accept for credit any full or partial course work satisfactorily completed by a pupil while attending certain schools. A pupil who completes the graduation requirements of his or her school district of residence while under the jurisdiction of the juvenile court will receive a diploma.

If a foster care pupil is absent from school because of a change in placement by the court or child placing agency, or because of a verified court appearance or related court-ordered activity, the

FISCAL DESCRIPTION (continued)

pupil's grades and credits will be calculated as of the date the pupil left school. Such absence will not result in a lowering of the pupil's grades.

Subject to federal law, school districts are authorized to permit access of pupil school records to a child placing agency for the purpose of fulfilling educational case management responsibilities required by the juvenile officer or by law and to assist with the school transfer or placement of a pupil.

Each child who is in foster care or who is placed in a licensed residential care facility is entitled to a full school day of education unless the school district determines that fewer hours are warranted. A full school day is defined as six hours under the guidance and direction of teachers in the education process for children in foster care or for children placed for treatment in a licensed residential care facility by the Department of Social Services.

For children placed for treatment in a licensed residential care facility by the Department of Social Services, the Commissioner of Education, or his or her designee, will be an ombudsman to assist the family support team and school district. The ombudsman will have the final decision over discrepancies regarding school day length. A full school day of education will be provided pending the ombudsman's final decision.

§167.720 - Physical education requirements

This section requires daily participation in physical education for students in elementary school at a weekly minimum duration plus a minimum 20-minute daily recess period for elementary grade students.

§161.800 - Volunteer and Parents Incentive Program

This section creates the Volunteer and Parents Incentive Program, to be implemented and administered by DESE. Under the program, DESE will provide a reimbursement to parents or volunteers who donate time at certain schools. To be eligible, individuals must donate time at a school in a district that is unaccredited or provisionally accredited, or has a population of at least 50% at risk students as described in the act. For every one hundred hours donated by a volunteer or parent, DESE will provide him or her with a reimbursement for the cost of three credit hours at a public institution of higher learning located in Missouri. The reimbursement cannot exceed \$500 every two years. If a participating school district becomes classified as accredited, it may continue to participate in the program for an additional two years.

FISCAL DESCRIPTION (continued)

The provisions of this section will expire in six years unless reauthorized.

§160.375 - Missouri Senior Cadet Program

This section creates the Missouri Senior Cadet Program, which will provide opportunities for twelfth graders in public school to mentor kindergarten through eighth grade students as described in the proposal. Participating students must be Missouri residents attending a Missouri high school, maintain a 3.0 GPA and plan to attend college. Twelfth graders who donate ten hours per week during the academic year will receive one elective credit that may be used to fulfill graduation requirements. If a student attends a public college or university located in Missouri after participating in the program, the state will provide a reimbursement in the amount of three credit hours per semester for a total of no more than eight semesters. The provisions of this proposed legislation will expire in six years unless reauthorized.

§161.122- Commissioner of Education evaluation of instructional goals

This section requires the Commissioner of Education to study and evaluate the progress, or lack thereof, in achieving instructional goals, and make these findings available by free public electronic media.

§210.025 - Quality Rating System for child care facilities

The proposed legislation requires the Department of Social Services, in collaboration with the Departments of Health and Senior Services, Elementary and Secondary Education, and Mental Health, to develop by September 1, 2009, a quality rating system for early childhood and before- and after-school programs that are licensed by the Department of Social Services. Licensing will be the baseline rating, with the highest rating being accreditation. The Department of Social Services must use the model developed by the University of Missouri Center for Family Policy and Research to establish the rating system. The rating system will allow an individual to evaluate and select high-quality programs, create an accountability system for policymakers and funders, and guide providers through a system of ever increasing levels of quality with specific outcomes for child care.

By July 1, 2012, the Coordinating Board for Early Childhood within the Children's Services Commission must develop a plan for a tiered rating system of reimbursement for child care subsidies based on the rating system for licensed facilities that receive funding or services to improve the quality of their program. By December 31, 2010, a proposed plan with recommendations for implementation of the reimbursement system must be submitted to the

FISCAL DESCRIPTION (continued)

General Assembly. The plan will only become effective after authorization by the General Assembly.

The proposed legislation creates the Quality Rating System Program Improvement Fund to be administered by the Department of Social Services to provide grants directly to licensed providers to make quality improvements to comply with the rating system or to community based organizations assisting providers with the improvements. Grants must be awarded in a geographically diverse manner. Moneys in the fund will consist of donations, gifts, transfers, bequests, and appropriations from the General Assembly. The Department of Social Services, in collaboration with the Departments of Health and Senior Services, Mental Health, and Elementary and Secondary Education, will be responsible for collecting, developing, and distributing resource materials to educate the public and early childhood and before- and after-school programs in Missouri about the quality rating system and posting the ratings on the Missouri Child Care Resource and Referral Network web site by December 31, 2012.

The provisions regarding the child care quality rating system will expire six years from the effective date.

§301.4006 - Nixa Education Foundation special license plate

This section allows for a special license plate for members of the Nixa Education Foundation.

To obtain this plate, a person must submit an application to the Director of the Department of Revenue accompanied by an emblem-use authorization statement along with an additional \$15 fee.

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
Office of State Treasurer
Missouri Senate
Office of State Courts Administrator
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
 Children's Division
 Division of Legal Services
 Division of Youth Services
Office of Administration
 Division of Budget and Planning
 Administrative Hearing Commission
Office of the Governor
Office of the Lieutenant Governor
Department of Economic Development
Department of Higher Education
Office of State Auditor
Department of Labor and Industrial Relations
Department of Corrections
 Missouri Vocational Enterprises
State Tax Commission
Missouri Gaming Commission
Office of Prosecution Services
Department of Public Safety
 Office of the Director
 Missouri State Highway Patrol
Office of Attorney General
Department of Transportation
Department of Revenue
Missouri House of Representatives
Public School Retirement System
Joint Committee on Public Employee Retirement

SOURCES OF INFORMATION (continued)

School Districts

Sikeston
Independence
St Charles
Mehlville
Francis Howell
Blue Springs
Poplar Bluff
Special School District of St Louis County
Jefferson City
Charleston
Parkway
Melville
Charleston
Salisbury
Nixa

Colleges and Universities

Moberly Area Community College
Linn State Technical College
Metropolitan Community College
University of Central Missouri
Lincoln University
Missouri Southern State University
Missouri State University
University of Missouri
Missouri Western State University
Truman University
University of Missouri - St Louis
University of Missouri - Kansas City
St Louis Community College

Cities and Counties

West Plains
Centralia
Kansas City

Counties

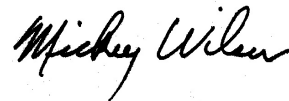
Cass
St Louis County

SOURCES OF INFORMATION (continued)

Local Law Enforcement
 Boone County Sheriff's Department
 Springfield Police Department
Kansas City Board of Elections

NOT RESPONDING

Riverview Gardens School District
Kansas City Public School District
St Louis Public School District



Mickey Wilson, CPA
Director
April 29, 2009