

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4280-01
Bill No.: SB 697
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department
Type: Original
Date: January 11, 2016

Bill Summary: This proposal creates the Missouri Parent/Teacher Involvement Program to provide grant awards to schools to develop and build trusting relationships between families and school staff.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Unknown over \$1,000,000 up to \$35,456,880)	(Unknown over \$1,000,000 up to \$35,456,880)	(Unknown over \$1,000,000 up to \$35,456,880)
Total Estimated Net Effect on General Revenue	(Unknown over \$1,000,000 up to \$35,456,880)	(Unknown over \$1,000,000 up to \$35,456,880)	(Unknown over \$1,000,000 up to \$35,456,880)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
MO Parent/Teacher Involvement Program	(\$67,945)	(\$79,996)	(\$80,806)
Total Estimated Net Effect on Other State Funds	(\$67,945)	(\$79,996)	(\$80,806)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
MO Parent/Teacher Program	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0 to (Up to \$35,456,880)	\$0 to (Up to \$35,456,880)	\$0 to (Up to \$35,456,880)

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal creates the Missouri Parent/Teacher Involvement Act to provide grants to school districts that increase communication and accountability between families and schools. Priority for distribution of the grants is given to the unaccredited and provisionally accredited school districts. Oversight notes that there are currently two unaccredited school districts (Normandy and Riverview Gardens) and five provisionally accredited districts (Calhoun, Hayti, Hickman Mills, Kansas City and St. Louis).

In §161.954 this proposal creates the Missouri Parent/Teacher Involvement Program Fund to consist of money appropriated to it for the disbursement of the grants. **Oversight** notes this proposal does not designate a funding source for the Fund and therefore, for fiscal note purposes, Oversight will show the funding source as General Revenue.

Oversight notes this proposal requires K-12 school districts to operate parent/teacher involvement programs that meet certain requirements:

- fifty percent of staff participate in home visits
- parents or legal guardians agree to the home visits
- staff who participate receive training
- staff who participate are compensated with extra duty pay
- all home visits be conducted by two staff persons

According to the 2014-2015 Statistics of Missouri Public Schools published by the Department of Elementary and Secondary Education, the number of certified staff in schools is 86,470 and there are 886,423 students attending public school. Since this proposal requires that fifty percent of staff participate in the home visits, 43,235 staff would be involved. If half the students participate in the program and receive one home visit a year there would be 443,211 home visits a year done by the schools. This would average about 20 home visits per staff per year.

Oversight assumes that if each home visit lasts two hours and the average rate of pay per staff is \$20 per hour then the cost of one home visit is \$80. With 443,211 home visits per year estimated then the cost for the home visits would be \$35,456,880 annually.

Oversight assumes that since the legislature must appropriate moneys to the new Fund and since the priority of the funding is unaccredited and provisionally unaccredited districts, school districts may need to cover the majority of the home visits expenses themselves. Oversight will show the transfer out from General Revenue of Unknown over \$1 million up to the estimated \$35,456,880 annually.

ASSUMPTION (continued)

Officials at the **Department of Elementary and Secondary Education (DESE)** assume the need for one Director (\$60,696) to coordinate and administer the program which would include the distribution of grant monies. DESE estimates the Director cost would including salary, benefits and office expenses of \$86,006 in FY 2017, \$95,612 in FY 2018 and \$96,578 in FY 2019.

Oversight has, for fiscal note purposes only, adjusted the salary and benefits of the Director to correspond with the range for starting salaries posted by DESE for similar positions.

Officials at the **Office of the State Treasurer** assume there is no fiscal impact from this proposal.

Officials at the **Riverview Gardens School District** assume a cost of \$137,500 annually.

Officials at the **Kansas City Public Schools** assume no negative impact. This may provide additional funding if passed and funded.

Officials at the **Bronaugh** and the **East Newton School Districts** each assume this proposal would have a financial impact on the district but the amount is unknown.

Officials at the **Campbell R-II School District** assume the impact will be determined on where the funding for the grants come from.

Officials at the **Cassville School District** assume an impact of \$18,500.

Officials at the **Chilhowee R-IV School District** assume the cost would be considerable. To calculate the cost of home visits several assumptions were made including the average hourly rate of teachers, average hourly rate of administrators, fifty percent participation rate of students K-6 and 35 visits per quarter to account for combined families. Three hours charged per each visit. Based on those assumptions one administrator and one teacher will attend the visit for three hours and there will be a 3.5% increase in salary expenditures, which does not include travel expenses.

Officials at the **Concordia R-II School District** assume that any time that a new grant is proposed without a new funding source it comes out of the foundation formula. It is harder for small schools to participate and win competitive grants as they do not have the personnel who have the time and expertise to write grants. Unlike other small rural district because of our location on I-70 and tax base associated with it we rely more heavily on local funds. When you

ASSUMPTION (continued)

do not receive much foundation formula and it is diverted for other non-funded mandates it really hurts districts like Concordia. If this new proposal even took \$20 out of the state adequacy target (currently \$6,109.9968) it would impact us based on our ADA (415.1557) by a reduction of approximately \$9,000.

Officials at the **Forsyth R-III School District** assume they could be impacted up to \$50,000 if state budget funds are reduced to fund this grant.

Officials at the **Grain Valley School District** assume that if the initiative is funded with foundation formula money then the district would be impacted negatively. This negative impact could be large.

Officials at the **Hawthorn Leadership** assume this cost of training and extra duty pay of teachers for conducting home visits would be \$10,000.

Officials at the **Kearney School District** assume an impact of \$100,000 for the home visits annually.

Officials at the **Kingston 42 School District** assume this could increase benefits and transportation costs.

Officials at the **Macon R-IV School District** assume the cost to the district would be the grant if not funded by the legislature.

Officials at the **New Haven School District** assume that one visit a month for two hours each at the hourly rate of \$40 and nine visits per teacher. This would be \$720 per teacher. Unknown if school will receive the grant to offset any of the costs.

Officials at the **Orrick School District** assume the impact is unknown as it is not clear what the funding source is for the grant.

Officials at the **Sarcoixie R-II School District** assume the impact is unknown.

Officials at the **St. Charles School District** assume no impact if funded by the legislature. If foundation formula money is used then large unknown impact to the district.

Officials at the **Wright City School District** assume \$10,000 in travel reimbursement expenses and \$32,000 in stipends. An indirect cost would be loss of foundation formula money if this is

ASSUMPTION (continued)

funded using that money.

Officials at the **Everton, Malta Bend, Middle Grove, Pettis County R-XII, Shell Knob, Smithville, Warren County R-III** and the **West Plains** school districts each assume there is no fiscal impact from this proposal to their respective districts.

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Clarkton C-4, Cole R-I, Columbia, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Eldon R-I, Fair Grove, Fair Play, Fayette R-3, Fox C-6, Fredericktown R-I, Fulton, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kennett #39, King City R-1, Kirbyville R-VI, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lewis County C-1, Lindbergh, Lonedell R-14, Macon County R-1, Mehville, Mexico, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Osage County R-II, Osborn R-O, Parkway, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Salisbury R-4, Scotland County R-I, Sedalia, Seymour R-2, Shelby County R-4, Sikeston, Silex, Slater, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warrensburg R-6, Webster Groves and the Westview C-6 School District did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017	FY 2018	FY 2019
	(10 Mo.)		
GENERAL REVENUE			
<u>Transfer Out - to the MO Parent/Teacher Involvement Program Fund</u>	(Unknown over \$1,000,000 up to <u>\$35,456,880</u>)	(Unknown over \$1,000,000 up to <u>\$35,456,880</u>)	(Unknown over \$1,000,000 up to <u>\$35,456,880</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown over \$1,000,000 up to <u>\$35,456,880</u>)	(Unknown over \$1,000,000 up to <u>\$35,456,880</u>)	(Unknown over \$1,000,000 up to <u>\$35,456,880</u>)

<u>FISCAL IMPACT - State Government</u>	FY 2017	FY 2018	FY 2019
(continued)	(10 Mo.)		

**MO PARENT/TEACHER
 INVOLVEMENT PROGRAM FUND**

	Unknown greater than \$1,000,000 up to \$35,456,880	Unknown greater than \$1,000,000 up to \$35,456,880	Unknown greater than \$1,000,000 up to \$35,456,880
<u>Transfer In</u> - from General Revenue			

Costs - Dept of Elementary and
 Secondary Education

Personnel Services	(\$40,460)	(\$49,038)	(\$49,528)
Fringe Benefits	(\$19,464)	(\$23,489)	(\$23,623)
Equipment and Expenses	<u>(\$8,021)</u>	<u>(\$7,469)</u>	<u>(\$7,655)</u>
<u>Total Costs</u> - DESE	(\$67,945)	(\$79,996)	(\$80,806)
FTE Change - DESE	1 FTE	1 FTE	1 FTE

	(Unknown greater than \$1,000,000 up to \$35,456,880)	(Unknown greater than \$1,000,000 up to \$35,456,880)	(Unknown greater than \$1,000,000 up to \$35,456,880)
<u>Transfer Out</u> - School Districts for grants			

**ESTIMATED NET EFFECT ON MO
 PARENT/TEACHER
 INVOLVEMENT PROGRAM FUND**

	<u>(\$67,945)</u>	<u>(\$79,996)</u>	<u>(\$80,806)</u>
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Estimated net FTE Change for the MO Parent/Teacher Involvement Program Fund	1 FTE	1 FTE	1 FTE
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(\$35,456,880)

FISCAL IMPACT - Local Government

FY 2017
(10 Mo.)

FY 2018

FY 2019

SCHOOL DISTRICT FUNDS

Transfer In - from MO Parent/Teacher Involvement Program Fund -grants to schools

Unknown greater than \$1,000,000 up to \$35,456,880

Unknown greater than \$1,000,000 up to \$35,456,880

Unknown greater than \$1,000,000 up to \$35,456,880

Costs - reimbursement of home visit expenses

(\$35,456,880)

(\$35,456,880)

(\$35,456,880)

ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS

\$0 to (Up to \$35,456,880)

\$0 to (Up to \$35,456,880)

\$0 to (Up to \$35,456,880)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act creates the Missouri Parent/Teacher Involvement Program to provide grant awards to schools to develop and build trusting relationships between families and school staff. The goal of the program is to improve the academic and social success of pupils. The Department of Elementary and Secondary Education shall coordinate and administer the program. Priority for distribution of grant moneys will be given to unaccredited and provisionally accredited school districts.

Schools serving grades K-12 must operate programs that meet the following requirements: at least fifty percent of the staff employed at the school site must voluntarily agree to participate in home visits; prior to the commencement of home visits, a school must establish a compact in which parents and legal guardians agree to participate in periodic home visits; a teacher who participates in the program must receive certain training, as described in the act; school personnel must be compensated for their participation in home visits, as described in the act; and all home visits must be conducted by a pair or team that includes the pupil's classroom teacher and one other full-time school employee.

Beginning with school year 2017-2018, each school board shall adopt a policy on parental involvement in the schools of the district. The policy shall be designed to build consistent and

FISCAL DESCRIPTION (continued)

effective communication between the parents and guardians of district pupils and the teachers and administrators. The policy shall provide the opportunity for parents and guardians to be actively involved in the pupil's education, as described in the act.

The provisions of this act will sunset in six years unless reauthorized.

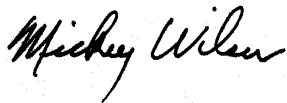
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Bronaugh School District
Campbell R-II School District
Cassville School District
Chilhowee School District
Concordia R-II School District
Department of Elementary and Secondary Education
East Newton R-VI School District
Everton School District
Forsyth R-III School District
Grain Valley School District
Hawthorn Leadership
Kansas City Public Schools
Kearney School District
Kingston 42 School District
Macon County R-IV School District
Malta Bend Schools
Middle Grove School District
New Haven School District
Office of the State Treasurer
Orrick Schools
Pettis County R-XII School District
Riverview Gardens School District
Sarcoxie R-II School District
Shell Knob School District
Smithville R-II School District

SOURCES OF INFORMATION (continued)

St. Charles School District
Warren County R-III School District
West Plains School District
Wright City R-II School District



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