

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0923-02  
Bill No.: SB 249  
Subject: Elementary and Secondary Education  
Type: Original  
Date: March 4, 2019

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Bill Summary: This proposal creates the Alternative Disability Services Act.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal will result in no cost to the department.

Officials from **Springfield Public Schools** assume this proposal will result in an unknown cost.

Officials from the **Francis Howell School District** assume, based on what we currently pay for contracted services for students with disabilities, the cost could be as much as \$65,000 per student per year. The actual cost would be dependent upon the nature of the student's disability.

Officials from **Wellsville-Middletown R-1 School District** assume the proposal has the potential to have a substantial negative fiscal impact on the district.

In response to a similar proposal, HB 631 (2019), officials from **Sherwood-Cass R-VIII School District** assumed the cost would vary, but just for speech service alone we are looking at doubling the cost of speech services if we were to out-source. We have a full time speech implementer (have hired a SLP for next year) and that costs our district around \$60,000. Instead, we estimate having to contract services for our students would cost around \$120,000 when you factor in time with our students, required training, staff development and team building, and after- school meetings all being charged at an hourly rate. We do not provide summer services. If summer services were to be added, the cost would continue to increase.

For other services it could be even more expensive depending on the child's disability. The overhead premium associated with costs of outside companies would be detrimental to our budgets as well as difficult for us to budget. If several students get an outside provider we still have to pay for a full time person to provide similar services within the district.

**Oversight** notes a parent or guardian may initiate the negotiation of an agreement if the annual Individualized Education Program (IEP) or Individualized Services Plan (ISP) goals are not being met or, the IEP or ISP accommodations or modifications are not being provided or special education services are not available from certified personnel through the public school.

ASSUMPTION (continued)

Oversight notes the following for students with disabilities ages 3-21:

	FY 2016	FY 2017	FY 2018	2019 (Proj.)
Students with Disabilities	126,328	128,623	131,114	133,819
Child Complaints Filed	64	52	43	44
Due Process Filed	51	60	61	62

Source: DESE's FY 2020 Budget Book

Oversight notes some school districts indicated increased cost to contract with outside service providers. Therefore, Oversight will show an unknown cost to school districts.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

Promulgate Rules

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**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 require additional resources.

ASSUMPTION (continued)

Officials from the **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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**SCHOOL DISTRICTS**

<u>Cost</u> - increased cost to contract with outside service providers	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act creates the Alternative Disability Services Act. The act allows a parent, guardian, or student ages 18-21 to initiate the negotiation of an agreement for an alternative provider of special education services.

The public school must negotiate agreements for the educational costs of students with disabilities in good faith, and the agreements may include provisions for partial or full enrollment of the child in public school, and services and supplementary aids the public school shall provide.

FISCAL DESCRIPTION (continued)

The terms of such an agreement negotiated between a public school and the parent or guardian of a student with disabilities, or a student ages 18-21 may exist until the end of the student's annual Individualized Education Program (IEP) or Individualized Services Plan (ISP) cycle, but may be extended or modified with agreement from the parent or guardian, and the public school.

An agreement may be initiated by a parent, guardian, or student ages 18-21 when the IEP or ISP goals are not being met, the IEP or ISP accommodations or modifications are not being provided, or special education services are not available from certified personnel through the public school. The education of children with disabilities shall, to the maximum extent appropriate, be with children who do not have disabilities, and shall attend regular class, except in the case of a disability resulting in violent behavior which causes substantial likelihood of injury to the students or others.

The public school must provide to parents, guardians, or students ages 18-21 information regarding where alternative services and supplementary aids may be obtained, the public school's criteria for such services, the public school's criteria under which the alternative services and supplementary aids are obtained.

The public school is required to reimburse alternative providers for services or supplementary aids pursuant to the agreement.

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  
Springfield Public Schools  
Sherwood-Cass R-VIII School District  
Francis Howell School District  
Wellsville-Middletown R-1 School District  
Joint Committee on Administrative Rules  
Office of the Secretary of State

Kyle Rieman  
Director  
March 4, 2019



Ross Strope  
Assistant Director  
March 4, 2019