

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4155-01
BILL NO.: SB 951
SUBJECT: Education, Elementary and Secondary: Compulsory School Attendance
TYPE: Original
DATE: February 22, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
State School Moneys	(\$0 to \$8,324,000)	(\$0 to \$8,573,720)	(\$0 to \$8,830,932)
General Revenue	(\$122,476 to \$408,976)	(\$120,780 to \$415,875)	(\$123,840 to \$427,788)
Total Estimated Net Effect on <u>All</u> State Funds	(\$122,476 to \$8,732,976)	(\$120,780 to \$8,989,595)	(\$123,840 to \$9,258,720)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal	(\$57,106)	(\$58,628)	(\$60,110)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$57,106)	(\$58,628)	(\$60,110)

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	(\$3,600,130)	(\$3,708,134)	(\$3,819,378)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume the proposal would result in no fiscal impact to the courts.

Officials from the **Department of Social Services - Division of Youth Services (DYS)** assume that in FY 1998 30 youth under the age of 16 were committed to DYS for truancy (down from 51 in FY 97). The annual high school dropout rate for the 1997-98 school year was 5.3%, or approximately 13,363 dropouts, according to Kids Count Missouri. With the additional period of one year, 16-17 years, the division estimates that between 15-50 youth ages 16 to 17 years could be committed annually to DYS. According to the 1997 Missouri Juvenile Court Statistics report there were 4,419 referrals for truancy made to the juvenile courts involving youth under the age of 16 years. The division believes that the court would act on referrals between the ages of 16-17 years. DYS officials estimate they would need 1 FTE Youth Group Leader (\$32,256), 2.50 FTE Youth Specialist (\$29,184), 1.50 FTE Special Education Teacher III (\$38,028), .50 FTE Clerk Steno III (\$23,472), and .50 FTE Cook II (\$20,172).

Oversight assumes that DYS would not incur any new costs related to providing day treatment for 15-50 youths. It was assumed that the youths would not be placed at one facility, but could be placed at any one of the 33 facilities that currently provide educational programs for DYS.

Furthermore, it was assumed that DYS would obtain state aid through the state foundation formula based on the number of students and their attendance records. Assuming full funding of the state foundation formula, an average instructional cost of \$4,000 per student, and that DESE's estimate to fully fund the foundation formula included costs for DYS, no additional costs were included for DYS. **Oversight** has shown the DYS portion of DESE's costs separately based on 50 students receiving \$5,730 per student for a total of \$286,500. The cost is ranged from zero, since \$286,500 would be the maximum.

The **Department of Social Services (DOS), Division of Family Services (DFS)** assumes that it would be fiscally impacted by this proposal. DFS assumes that requiring children to attend school until age 17 would result in children age 16 being reported to the Child Abuse/Neglect (CA/N) Hotline for educational neglect since a parent's failure to send a child to school is a reportable condition.

ASSUMPTION (continued)

To project the fiscal impact, the following staffing formulas and caseload standards for field staff were used:

1 Clerk-typist : 3 professional staff
1 Supervisor III: 3 Supervisor Is
1 Supervisor I : 7 Children's Services Workers
CA/N Investigations: 17 per month per Children's Services Worker
12 Family-centered Services cases per Children's Services Worker

To estimate the number of additional educational neglect reports that would result from the proposal, DFS used data from 1998. There were 3,073 children reported for educational neglect of which 985 were children from 14 or 15 years of age. They assumed they would have the same number of hotlines on 16 and 17 year old children. Of those 985 hotlines, 346 had dispositions which would indicate a need for Family-Centered Services.

DFS assumes they would need the following staff to implement the proposed legislation:

492.5 CA/N hotlines = 2.4 Children's Services Workers (492.5 hotlines/17 hotlines per month/12 months per year)

173 FCS cases = 9.1 Children's Services Workers (assuming 41.2% of cases would be open 4 months, 27.6% open 8 months, and 31.2% would be open for 12 months - using FY 98 data as the baseline = 1315 case months, 1315 case months/12 cases per month/12 months per year).

11.5 (2.4 + 9.1) Children Services Workers (to investigate and assess CA/N reports and work with families to improve their parenting skills to an acceptable level of child care)
1.64 Supervisors I (to supervise Children's Services Workers)
.55 Supervisor III (to supervise Children's Services Workers)
4.56 Clerk-typists II (support for professional staff)

The **Oversight Division** used half the FTE included in the fiscal impact of similar legislation (HB 1427) which raised compulsory school attendance to age 18. Therefore, Oversight assumes that a total of 2.5 Children's Services Workers, 1.15 Clerk Typists and .50 Supervisor would be needed as a result of this proposal.

ASSUMPTION (continued)

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there would be an increase in the cost to fully fund the basic state aid formula due to an increase in attendance of students between the ages of 16 and 17. It is estimated approximately 6,500 students would be affected:

$$6,500 \text{ students} \times \$4,421^* \text{ formula amount per eligible pupil} \times 50\%^{**} = \$14,368,250$$

*\$4,421 is the average cost per pupil when local deductions remain constant. The actual cost is subject to appropriation. ($\$3.38 \times \$130,789/100$ for FY 2001)

** Assume that only 50% of the students will stay in school.

DESE used a 3% inflation factor for FY 2002 and 2003.

Local cost: \$5,800 FY 1999 cost per pupil.

$$6,500 \text{ students} \times \$5,800 \times 50\% = \$18,850,000$$

Approximately \$14.4 million would be paid by the state through the basic state aid formula. The remainder would come from miscellaneous sources of local, state or federal revenue. If no additional money is available, the district may not increase its spending. Rather the same amount of spending spread over more students reduces the amount spent per student.

3% inflation is assumed by DESE.

FY 2001
\$14,368,250 State aid
(\$18,850,000) Local cost
(\$4,481,750)

FY 2002
\$14,799,250 State aid
(\$19,415,500) Local cost
(\$4,616,250)

FY 2003
\$15,243,276 State aid
(\$19,997,965) Local cost
(\$4,754,689)

ASSUMPTION (continued)

Oversight assumes, based on FY 97-98 DESE data used by the Department of Revenue in a

similar proposal (HB 1427), that only 8,524 sixteen and seventeen year olds dropped out of school. Oversight assumes half of these students would be seventeen year olds (8,524 x 50%=4,262). For HB 1427, DESE estimated the average state cost per pupil to be \$4,000 and the local cost to be an additional \$1,730.

Increase in Foundation Formula

4,262 dropouts x \$4,000 (average state cost per pupil) x 50% (attendance) = \$8,524,000

Total Costs to School Districts

4,262 dropouts x (\$4,000 + \$1,730) x 50% (attendance) = \$12,210,630

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

STATE SCHOOL MONEYS FUND

Cost-Department of Elementary and Secondary Education (DESE)

Fully Funded Foundation Formula Related to Increased Attendance (less DYS portion at \$4,000 per student)	(\$0 to <u>\$8,324,000</u>)	(\$0 to <u>\$8,573,720</u>)	(\$0 to <u>\$8,830,932</u>)
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GENERAL REVENUE FUND

Cost-Department of Social Services - Division of Youth Services

Instructional Costs-Foundation Formula Plus Support Costs (\$5,730 per student)	(\$0 to \$286,500)	(\$0 to \$295,095)	(\$0 to \$303,948)
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Cost-Department of Social Services - Division of Family Services (DFS)

Personal Services (2.8 FTE)	(\$69,930)	(\$86,027)	(\$88,178)
Fringe Benefits	(\$21,504)	(\$26,454)	(\$27,115)
Expense and Equipment	<u>(\$31,042)</u>	<u>(\$8,299)</u>	<u>(\$8,547)</u>
Total <u>Cost-DFS</u>	(\$122,476)	(\$120,780)	(\$123,840)

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(\$122,476 to <u>\$408,976</u>)	(\$120,780 to <u>\$415,875</u>)	(\$123,840 to <u>\$427,788</u>)
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FEDERAL FUNDS

Cost-Department of Social Services - Division of Family Services

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
Personal Services (1.4)	(\$34,443)	(\$42,372)	(\$43,431)
Fringe Benefits	(\$10,591)	(\$13,029)	(\$13,355)
Expense and Equipment	(\$12,072)	(\$3,227)	(\$3,324)
Total <u>Cost-DFS</u>	<u>(\$57,106)</u>	<u>(\$58,628)</u>	<u>(\$60,110)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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SCHOOL DISTRICTS

<u>Income-School Districts</u>			
State Aid	\$8,324,000	\$8,573,720	\$8,830,932
<u>Cost-School Districts</u>			
Increased School Attendance	(\$11,924,130)	(\$12,281,854)	(\$12,650,310)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>(\$3,600,130)</u>	<u>(\$3,708,134)</u>	<u>(\$3,819,378)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

The proposal would raise the age of compulsory school attendance from sixteen to seventeen.

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
 Department of Social Services
 Office of State Courts Administrator

L.R. NO. 4155-01
BILL NO. SB 951
PAGE 7 OF 7
February 22, 2000

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
February 22, 2000