

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION
FISCAL NOTE

L.R. NO.: 4297-03
BILL NO.: HCS For SB 944 With HAs 1, 2, 3, 4, 5 and 6, HSA 1 For HA 7, HAs 8, 9, 11, 13, 14 and 15
SUBJECT: Education, Elementary and Secondary: Teachers
TYPE: Original
DATE: May 5, 2000

FISCAL SUMMARY			
ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	GREATER THAN (\$3,267,097 TO \$3,505,597)	GREATER THAN (\$3,320,485)	GREATER THAN (\$3,334,483)
State School Moneys	GREATER THAN (\$100,000)	GREATER THAN (\$100,000)	GREATER THAN (\$100,000)
Criminal Record System	\$26,500 to \$265,000	\$26,500	\$26,500
Video Instructional Development and Educational Opportunity Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds*	GREATER THAN (\$3,340,597)	GREATER THAN (\$3,393,985)	GREATER THAN (\$3,407,983)

*Excludes DOC costs of less than \$100,000 annually.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			

FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	GREATER THAN (\$100,000) TO <u>\$100,000</u>	GREATER THAN (\$100,000) TO <u>\$100,000</u>	GREATER THAN (\$100,000) TO <u>\$100,000</u>

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 12 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would allow school districts additional flexibility in allocating Incidental Fund moneys which would result in no fiscal impact. DESE officials assume excluding school safety and security expenditures from certificated salary compliance would not increase local costs either. DESE officials assume there could be some additional administrative burden associated with superintendents having to provide written notification to the new district when a student transfers; however, the effect of this burden is not expected to be significant on a statewide basis.

DESE officials assume the proposal establishes a funding floor for the Video Instructional Development and Educational Opportunity Fund of at least \$4.0 million. For purposes of this fiscal note, the \$4,000,000 floor was used. The Department's FY 2001 budget request for this appropriation is \$3,023,442; the Governor recommended \$1,091,081. The difference between the \$4.0 million floor, and the Governor's recommendation is \$2,908,919.

The moneys in the video instructional development and opportunity provide for grants to public education institutions and public television stations for equipment and instruction; the development of instructional programs which are to be made available to the public free; and the development of instructional programs to be made available on a subscription basis. The more money there is available for this program, the more there will be available for school districts to utilize for video instructional programs.

Officials from the **Department of Corrections (DOC)** assume new commitments could result from the creation of the offense outlined in the proposal but could not be accurately determined. In addition, changes in penalty provisions for current crimes could result in additional costs due to new commitments and/or longer sentences. The utilization of these laws for both new offenses and enhanced penalties for current offenses depend upon actions of prosecutors and the courts.

ASSUMPTION (continued)

If additional persons would be sentenced to the custody of the DOC due to the provisions of this

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legislation, the DOC would incur a corresponding increase in operational costs either through incarceration (average of \$35.61 per inmate, per day) or through supervision provided by the Board of Probation and Parole (average of \$2.47 per offender, per day).

Due to the wide variance of crimes and punishments including newly created crimes and punishments, the fiscal impact as it relates to the DOC is unknown, but not estimated to exceed \$100,000 annually.

Officials from the **Department of Revenue** assume the state would lose the 1% collection fee for collecting and depositing the VIDEO Fund monies. This would amount to about \$10,000 per year. DOR could simplify the sales tax return for the public, and simplifying this return would also eliminate DOR having to answer correspondence, and systematically keep track of these monies. The monies saved by simplifying the sales tax return and having to account for this money should equal the \$10,000 figure.

Officials from the **Office of Administration - Budget and Planning** assume the proposal would not result in any fiscal impact on Total State Revenue, nor would it result in any fiscal impact on the Office of Administration. However, the proposal is likely to result in at least an estimated \$2,692,167 loss to the General Revenue Fund for FY 2001. The loss to the General Revenue Fund for FY 2002 and FY 2003 would be slightly less provided sales tax collections increase. The impact on the General Revenue Fund was calculated as follows:

\$623,966	Most recent 6 months worth of actual collections transferred to the VIDEO Fund
x 2	Times two for an annualized total
<u>\$1,247,932</u>	Total
x 1.048%	Times projected FY 2001 sales tax growth according to the consensus revenue estimate
\$1,307,833	Projected FY 2001 transfers from the General Revenue Fund to the VIDEO Fund
\$4,000,000	Minimum General Revenue transfer per proposal
<u>(\$1,307,833)</u>	Projected FY 2001 transfers from the General Revenue Fund to the VIDEO Fund
<u>\$2,692,167</u>	Loss to the General Revenue Fund

The **Oversight Division** has used the estimates provided by the Office of Administration - Budget and Planning in the fiscal impact. Oversight has included costs to the General Revenue Fund and income to the Video Instructional Development and Educational Opportunity Fund in

ASSUMPTION (continued)

the state fiscal impact and revenue and costs to school districts for increased Video grants in the local fiscal impact.

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The **Oversight Division** has included VIDEO Fund savings for administrative costs of DOR and DESE for the deletion of the provision allowing the agencies to retain 1% ($\$1,307,833 \times .01 = \$13,078$) and 2% ($\$1,307,833 \times .02 = \$26,157$), respectively, of the sales tax revenues. Oversight has reduced the cost of the transfer from the General Revenue Fund to the VIDEO Fund by this amount, assuming this savings would reduce the required transfer from General Revenue to bring the VIDEO Fund income to \$4 million. Therefore, the General Revenue Fund transfer is included in the fiscal impact as \$2,652,932 annually [$\$2,692,167 - (\$13,078 + \$26,157) = \$2,652,932$]. Oversight has not shown a fiscal impact to DOR or DESE regarding this provision assuming the loss in revenue would equal the savings in administrative costs.

Officials from the **Office of State Courts Administrator**, the **Office of the Attorney General**, the **Department of Public Safety -- Missouri State Highway Patrol**, the **Office of Prosecution Services**, and the **Department of Elementary and Secondary Education** assume the provision related to firearms on school property would have no fiscal impact on their agencies.

Officials from the **Office of the State Public Defender (SPD)** assume that existing staff could provide representation for the 25 to 50 cases arising where indigent persons were charged with carrying a gun into a school or onto a school bus. However, passage of more than one similar proposal could require the SPD to request increased appropriations to cover the cumulative cost of representing the indigent accused.

Officials from the **Missouri National Guard and Department of Elementary and Secondary Education (DESE)** assume the provision related to military guardianships would result in no fiscal impact to the agencies.

Officials from the **Department of Social Services, Department of Elementary and Secondary Education** and the **Office of State Courts Administrator** assume the provision related to expelled students would result in no fiscal impact to the agencies.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume DESE would require a Senior Secretary (\$47,611) and a Supervisor (\$24,176) to run the competitive grant program for suicide prevention. An appropriation for the grant moneys would also need to be made, but the amount is unknown since it would be subject to appropriation.

ASSUMPTION (continued)

However, it is believed the amount appropriated for the grants would exceed \$100,000 annually. The **Oversight Division** assumes the Supervisor could administer the grant program with existing secretarial staff. Therefore, Oversight has excluded the Senior Secretary from the fiscal impact section. Oversight has also excluded information technology costs of \$27,000 in FY 2001 and \$3,750 in subsequent fiscal years, assuming the grant software could be modeled after

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existing DESE grant programs and could be developed and maintained with existing DESE resources.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the fiscal impact related to the categorical add-on for violence prevention would be entirely subject to appropriation. DESE officials assume there would be an unknown amount of additional state dollars distributed to school districts for purposes of adopting and providing violence prevention programs. However, 75% of full funding of the programs would be assumed to be greater than \$100,000 annually. DESE officials would be able to administer this add-on using existing staff.

Officials from the **Department of Public Safety - Highway Patrol and Department of Social Services** assume the provision related to background checks would result in no fiscal impact to the agencies.

Officials from the **Department of Health (DOH)** state that DESE has determined that there are a total of 518 child care facilities that provide care for preschool-age children during the day. These child care facilities are operated on elementary or secondary public school property. They do not include child care programs providing before and after school-age child care or Head Start programs. One hundred seven (107) of these facilities have been licensed by the DOH as a result of the provisions of HB 1519 that was passed in 1998. The remaining 411 facilities (518-107 = 411) are currently exempt from licensure as defined by section 210.201 (2) RSMo. There may be a small number of these facilities that have already voluntarily applied for licensure; however, the DOH does not believe that it is a significant number. Therefore, if this legislation were to pass, an additional 411 child care facilities would have to be inspected, licensed, and monitored for compliance with Missouri statutes and the DOH licensing rules.

The DOH states there are 65 Child Care Facility Specialists who inspect, license, and monitor 4,652 child care facilities in Missouri. The average caseload size of a Child Care Facility Specialist is 72 facilities per staff person (4,652 ÷ 65 = 72). The National Association for the Education of Young Children (NAEYC) states: "NAEYC believes that, on the average, regulators caseloads, should be no more than 75 centers and large family child care homes or the equivalent; NAEYC recommends 50 as a more desirable number." As it would be necessary to

ASSUMPTION (continued)

inspect, license, and monitor an additional 411 child care facilities, six (6) Child Care Facility Specialist II's (each at \$34,992 annually) would be required by the DOH. In addition, two (2) Clerk Typist II's (each at \$19,452 annually) would be required as support staff for the Child Care Facility Specialist II's.

The DOH states the duties of the Child Care Facility Specialist II's include inspecting, licensing,

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and monitoring 411 additional child care facilities for compliance with state statutes and licensing rules. The Clerk Typist II's would serve as support staff. **Oversight** assumes the Department of Health will not require additional rent expense as requested for the nine new FTE.

DOH officials assume that due to the increase in calls to the Family Care Safety Registry from all public schools hiring a noncertified employee, they anticipate a need for one Health Program Representative (\$29,184).

Officials from the **Department of Elementary and Secondary Education (DESE)** assume local school districts in the state may have unknown costs to make adjustments and/or improvements to meet licensing standards required by the Department of Health. DESE officials assume this cost would be greater than \$100,000.

Officials from **Department of Elementary and Secondary Education (DESE)** state the proposal requires DESE to pay the costs of background checks of noncertified school employees through the Family Care Safety Registry Act. In FY 1999, there were approximately 53,000 non-certified school employees. This provision requires DESE to pay for all costs associated with these background checks. A name search of the registry costs \$5.00 per name: $53,000 \times \$5.00 = \$265,000$. Fingerprinting costs are \$22 per check: $53,000 \times \$22 = \$1,166,000$. Therefore, total potential first year costs for background checks for noncertified school employees are \$1,431,000. DESE officials assume this amount could be significantly higher if DESE is required to pay costs of employees of contractors providing services to school districts. Subsequent year amounts are assumed to be 10% of the first year amount to account for turnover: FY 2002 \$143,100; FY 2003 \$147,400 (3% inflation factor). The **Oversight Division** has excluded fingerprinting costs in the fiscal impact since it is not specifically mentioned in the proposal. The proposal states the checks would be required before the hiring of the employees and conducting the checks on existing employees would be permissive. Therefore, for the first year, the **Oversight Division** has ranged the cost from \$26,500 ($53,000 \times 10\% \times \5) to \$265,000 in the Criminal Record System Fund.

ASSUMPTION (continued)

DESE will need a supervisor to administer the additional background checks. Personal service and expense and equipment costs for the supervisor are: FY 2001 \$65,180; FY 2002 \$71,069; FY 2003 \$72,874. The **Oversight Division** assumes the background checks would be conducted by the Highway Patrol and Department of Health; therefore, no additional FTE for background checks were included in the fiscal impact for DESE.

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<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Cost-Department of Corrections</u>			
Incarceration or Supervision	LESS THAN (\$100,000)	LESS THAN (\$100,000)	LESS THAN (\$100,000)
<u>Cost-General Revenue Fund</u>			
Transfer to the VIDEO Fund	(\$2,652,932)	(\$2,652,932)	(\$2,652,932)
<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
Personal Service (1 FTE)	(\$40,651)	(\$50,021)	(\$51,272)
Fringe Benefits	(\$12,500)	(\$15,381)	(\$15,766)
Expense and Equipment	(\$12,079)	(\$6,489)	(\$6,684)
Grants	GREATER THAN (\$100,000)	GREATER THAN (\$100,000)	GREATER THAN (\$100,000)
Background Checks	(\$26,500 to <u>\$265,000</u>)	<u>(\$26,500)</u>	<u>(\$26,500)</u>
Total <u>Cost-DESE</u>	GREATER THAN (\$191,730 to \$430,230)	GREATER THAN (\$198,391)	GREATER THAN (\$200,222)
<u>Cost-Department of Health</u>			
Personal Services (9 FTE)	(\$237,397)	(\$292,116)	(\$299,420)
Fringe Benefits	(\$73,000)	(\$89,826)	(\$92,072)
Expense and Expense	<u>(\$112,038)</u>	<u>(\$87,220)</u>	<u>(\$89,837)</u>
Total <u>Cost-DOH</u>	(\$422,435)	(\$469,162)	(\$481,329)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*	GREATER THAN (\$3,267,097 TO <u>\$3,505,597</u>)	GREATER THAN <u>(\$3,320,485)</u>	GREATER THAN <u>(\$3,334,483)</u>

***Excludes DOC costs of less than
\$100,000 annually.**

STATE SCHOOL MONEYS FUND

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<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>Cost-Department of Elementary and Secondary Education (DESE)</u> State Aid - Violence Prevention	GREATER THAN <u>(\$100,000)</u>	GREATER THAN <u>(\$100,000)</u>	GREATER THAN <u>(\$100,000)</u>
CRIMINAL RECORD SYSTEM FUND			
<u>Income-Highway Patrol</u> Background Checks	<u>\$26,500 to \$265,000</u>	<u>\$26,500</u>	<u>\$26,500</u>
VIDEO INSTRUCTIONAL DEVELOPMENT AND EDUCATIONAL OPPORTUNITY FUND			
<u>Income-Video Instructional Development and Educational Opportunity Fund</u> Transfer from the General Revenue Fund	\$2,652,932	\$2,652,932	\$2,652,932
<u>Savings-Video Instructional Development and Educational Opportunity Fund</u> DOR and DESE administrative costs	\$39,235	\$39,235	\$39,235
<u>Cost-Video Instructional Development and Educational Opportunity Fund</u> Grants to School Districts	(\$2,692,167)	(\$2,692,167)	(\$2,692,167)
ESTIMATED NET EFFECT ON VIDEO INSTRUCTIONAL DEVELOPMENT AND EDUCATIONAL OPPORTUNITY FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
SCHOOL DISTRICTS			
<u>Income-School Districts</u>			
Video Grants	\$2,692,167	\$2,692,167	\$2,692,167
Grants	GREATER THAN \$100,000	GREATER THAN \$100,000	GREATER THAN \$100,000
State Aid - Violence Prevention	GREATER THAN \$100,000	GREATER THAN \$100,000	GREATER THAN \$100,000
Total <u>Income</u> -School Districts	GREATER THAN \$2,892,167	GREATER THAN \$2,892,167	GREATER THAN \$2,892,167
<u>Cost-School Districts</u>			
Video Instructional Programs	(\$2,692,167)	(\$2,692,167)	(\$2,692,167)
Suicide Prevention Programs	GREATER THAN (\$100,000)	GREATER THAN (\$100,000)	GREATER THAN (\$100,000)
Child Care Licensing Expenditures	GREATER THAN (\$100,000)	GREATER THAN (\$100,000)	GREATER THAN (\$100,000)
Total <u>Cost</u> -School Districts	GREATER THAN (\$2,892,167)	GREATER THAN (\$2,892,167)	GREATER THAN (\$2,892,167)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	GREATER THAN (\$100,000) TO \$100,000	GREATER THAN (\$100,000) TO \$100,000	GREATER THAN (\$100,000) TO \$100,000

FISCAL IMPACT - Small Business

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

DESCRIPTION

“School” would include the school playground, parking lot, bus or school activity for purposes of determining when a weapon is brought to school or a controlled substance is possessed.

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School districts would be required to report to DESE the rates and durations of, and reasons for, suspensions and expulsions of pupils.

The proposal would expand the Missouri School Improvement Program provisions related to safety criteria.

A school district could transfer from the incidental fund to the capital projects fund an amount equal to the capital expenditures for school safety and security purposes.

A school district could exclude school safety and security expenditures from the current operating cost calculation of the base year and the year or years for which the compliance percentage is calculated for required expenditures of tuition, teacher retirement and compensation of certificated staff.

School districts could disclose education records to law enforcement and juvenile justice authorities. The sheriff, chief of police, or other law enforcement authority would notify the school district when a pupil has committed certain unlawful acts. Prosecutors would send notification to the superintendents regarding disposition of the cases.

A petition for the appointment of a guardian of a minor could be filed for the sole purpose of school registration or medical insurance coverage.

DESCRIPTION (Continued)

A person commits the felony crime of making a terroristic threat by making a false report concerning the commission of a felony or catastrophic occurrence.

The Video Instructional Development and Educational Opportunity Fund (VIDEO Fund) would include \$4 million transferred to the fund annually. The proposal would delete the provision that the Department of Revenue (DOR) would retain no more than one percent of sales tax revenues collected for administrative costs and all administrative costs incurred by DESE would be paid from the VIDEO Fund, not exceeding two percent.

Trespass of a school bus would be a class A misdemeanor.

The proposed legislation would expand the crime of unlawful use of weapons to include carrying a weapon onto school grounds or a school bus, unless the person is participating in a school-sanctioned, firearm-related event.

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The proposal would include military-issued guardianships for purposes of student residency requirements for school districts.

The proposal would add expulsion from private school into existing law which limits the enrollment of previously expelled students.

Beginning July 1, 2001, DESE would provide a four-year competitive grant program to fund, or defray the cost of, establishment or expansion of student suicide prevention programs. The programs could include teacher and administrator training in suicide prevention programs.

Prior to July 1, 2001, DESE would promulgate rules to implement the grant program. The grants could establish or expand student suicide prevention programs.

Grants would be for four-year terms and would be renewable.

All public schools would have a criminal background check and child abuse registry check conducted for each noncertified public school employee. The cost would be funded by DESE.

If an employee or school board member has direct knowledge that a certificate holder has committed certain offenses, that employee or board member is required to report the act superintendent and law enforcement officer. Failure to report this information would result in a class A misdemeanor.

DESCRIPTION (Continued)

The proposal would create a categorical add-on in the school foundation formula for violence prevention programs. The state aid for these programs would be 75% of the program costs.

Any program providing child care to preschool or school age children located and operated on public school property would comply with the child care licensure provisions.

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 Public Safety - Highway Patrol
Office of State Courts Administrator
Department of Social Services
Department of Health

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Department of Mental Health
Department of Corrections
Attorney General's Office
Department of Revenue
Office of Administration - Budget and Planning
Office of State Public Defender
National Guard

NOT RESPONDING: Cole County Prosecuting Attorney, Boone County Prosecuting Attorney,
Jackson County Prosecuting Attorney, St. Louis County Prosecutor



Jeanne Jarrett, CPA
Director
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