

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1036-01  
Bill No.: SB 363  
Subject: Education, Elementary and Secondary: Compulsory Attendance  
Type: Original  
Date: February 12, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$128,009 to \$11,931,009)	(\$127,835 to \$12,284,925)	(\$131,074 to \$12,652,877)
State School Moneys	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$128,009 to \$11,931,009)</b>	<b>(\$127,835 to \$12,284,925)</b>	<b>(\$131,074 to \$12,652,877)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Federal	(\$59,829)	(\$62,079)	(\$63,646)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(\$59,829)</b>	<b>(\$62,079)</b>	<b>(\$63,646)</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>(\$8,237,500)</b>	<b>(\$8,348,665)</b>	<b>(\$8,599,125)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services - Division of Youth Services (DYS)** stated that in FY 1999, 36 youths under the age of 16 were committed to DYS for truancy (up from 30 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 1998 Missouri Juvenile Court Statistics report there were 5.055 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 (\$33,276), 2.50 FTE Youth Specialist (\$30,204), 1.50 FTE Special Education Teacher III (\$39,048), .50 FTE Clerk Steno III (\$24,492), and .50 FTE Cook II (\$21,192).

**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 expenditure of \$5,692 per student inflated 3% per year from the 1998-99 school year, 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 \$6,220 per student for a total of \$311,000. The cost is ranged from zero, since \$311,000 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.

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 Supervisors I  
1 Supervisor I : 7 Children's Services Workers  
CA/N Investigations: 17 per month per Children's Services Worker

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ASSUMPTION (continued)

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 FY 1999. There were 3,668 children reported for educational neglect of which 1,179 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 1,179 hotlines, 413 had dispositions which would indicate a need for Family-Centered Services.

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

589.5 CA/N hotlines = 2.9 Children's Services Workers (589.5 hotlines/17 hotlines per month/12 months per year)

206 FCS cases = 10.9 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 99 data as the baseline = 1565 case months, 1565 case months/12 cases per month/12 months per year).

13.8 (2.9 + 10.9) 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)

1.97 Supervisors I (to supervise Children's Services Workers)

.66 Supervisor III (to supervise Children's Services Workers)

5.48 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.

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 (about half of the Kids Count drop out total; students must stay in school until they are sixteen, so almost all of the dropouts will be 16 or 17) students would be affected:

6,500 students X \$4,421\* formula amount per eligible pupil X 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 X \$130,789/100 for FY 2002)

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

ASSUMPTION (continued)

DESE used a 3% inflation factor for FY 2003 and 2004.

Local cost: \$5,800 FY 2000 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 2002

\$14,368,250 State aid

(\$18,850,000) Local cost

(\$4,481,750)

FY 2003

\$14,799,250 State aid

(\$19,415,500) Local cost

(\$4,616,250)

FY 2004

\$15,243,276 State aid

(\$19,997,965) Local cost

(\$4,754,689)

**Oversight** notes that the average Missouri expenditure per pupil for school year 1998-99 was \$5,692 and that city/county funds were 40.1% of expenditures (\$2,282), state funds were 54.8%, and federal funds were 5.1%.

Oversight has computed fiscal impacts based on 6,500 drop outs per year, an average state expenditure of \$3,236 (inflated 3% per year), and an average local expenditure of \$2,282 (inflated 3% per year).

Increase in Foundation Formula

6,500 dropouts x \$3,536 (projected average state cost per pupil in 2001-2001) x 50% (attendance) = \$11,492,000

Total Costs to School Districts

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ASSUMPTION (continued)

6,500 dropouts x (\$3,536 + \$2,494) x 50% (attendance) = \$19,597,500

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>STATE SCHOOL MONEYS FUND</b>			
<u>Income-Department of Elementary and Secondary Education: Transfers from General Revenue Fund</u>	\$0 to \$11,492,000	\$0 to \$11,836,760	\$0 to \$12,191,863
<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
Fully Funded Foundation Formula Related to Increased Attendance (less DYS portion at \$4,000 per student)	(\$0 to \$11,492,000)	(\$0 to \$11,836,760)	(\$0 to \$12,191,863)
<b>ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

**GENERAL REVENUE FUND**

<u>Cost-Department of Social Services - Division of Youth Services</u>			
Instructional Costs-Foundation Formula Plus Support Costs (\$6,220 per student)	(\$0 to \$311,000)	(\$0 to \$320,330)	(\$0 to \$329,940)
<u>Cost-Department of Social Services - Division of Family Services (DFS)</u>			
Personal Services (2.8 FTE)	(\$72,727)	(\$89,468)	(\$91,705)
Fringe Benefits	(\$24,240)	(\$29,820)	(\$30,565)
Expense and Equipment	(\$31,042)	(\$8,547)	(\$8,804)
Total <u>Cost-DFS</u>	(\$128,009)	(\$127,835)	(\$131,074)
<u>Cost - Increased Transfers to State School Moneys Fund</u>	(\$0 to \$11,492,000)	(\$0 to \$11,836,760)	(\$0 to \$12,191,863)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$128,009 to \$11,931,009)</u></b>	<b><u>(\$127,835 to \$12,284,925)</u></b>	<b><u>(\$131,074 to \$12,652,877)</u></b>

**FEDERAL FUNDS**

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Cost-Department of Social Services - Division of Family Services</u>			
Personal Services (1.4)	(\$35,821)	(\$44,067)	(\$45,168)
Fringe Benefits	(\$11,936)	(\$14,688)	(\$15,054)
Expense and Equipment	(\$12,072)	(\$3,324)	(\$3,424)
Total <u>Cost-DFS</u>	<u>(\$59,829)</u>	<u>(\$62,079)</u>	<u>(\$63,646)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>SCHOOL DISTRICTS</b>			
<u>Income-School Districts</u>			
State Aid	\$11,324,000	\$11,836,760	\$12,191,863
<u>Cost-School Districts</u>			
Increased School Attendance	(\$19,597,500)	(\$20,185,425)	(\$20,790,988)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>(\$8,237,500)</u></b>	<b><u>(\$8,348,665)</u></b>	<b><u>(\$8,599,125)</u></b>

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. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
 Department of Social Services



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 Director  
 February 13, 2001