

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2647-01  
Bill No.: SB 668  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education  
 Dept; Children and Minors; Teachers  
Type: Original  
Date: January 15, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$27,982)	(Unknown)*	(Unknown)*
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$27,982)</b>	<b>(UNKNOWN)*</b>	<b>(UNKNOWN)*</b>

\* Assumed to exceed \$100,000 annually

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>School Districts</b>	<b>\$0</b>	<b>\$0*</b>	<b>\$0*</b>

\*Revenues and Expenses assumed to exceed \$100,000 annually

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume DESE would require a supervisor and senior secretary to adequately staff the program. Additionally, there would be some information technology (IT) costs associated with developing a web-based application process.

The grant amounts to be distributed by the program are not specified. For the program to be significant the amount to be appropriated for this purpose is assumed to be in excess of \$100,000; however an unknown cost is assumed by DESE.

DESE officials assume one FTE Supervisor (\$43,352 for FY 2003) and one FTE Senior Secretary (\$22,013 for FY 2003) would be needed to develop the application, evaluate applications, administer grants and answer questions.

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 and has adjusted the salary and benefits of the Supervisor. Oversight has also excluded travel costs of \$4,500 annually, assuming the grant would be administered with minimal travel. Oversight assumes the Supervisor would need approximately six months to develop and evaluate applications prior to the beginning grant date.

DESE assume the DESE IT section would be required to develop and maintain software. This is estimated to cost \$83,200 the first year. Additionally, OIT charges an 8% project management fee (\$6,656). Maintenance costs for subsequent years are estimated to be 15% of this amount in subsequent years. The **Oversight Division** assumes the grant software could be modeled after existing DESE grant programs and could be developed and maintained with existing DESE resources.

DESE officials assume increased state money would go to school districts successfully applying for grants. The amount of local assistance would depend on the amount appropriated by the General Assembly for grants and awarded to applicants.

This proposal creates a new grant program in the Department of Elementary and Secondary Education (DESE). Based on experience with other divisions, the **Office of the Secretary of State (SOS)** assumes the rules, regulations and forms issued by DESE could require as many as approximately 18 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code of State Regulations because cost statements, fiscal notes and the like are not repeated in the code. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State

ASSUMPTION (continued)

Regulations is \$27.00. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends on the frequency and length of rules file, amended, rescinded or withdrawn.

**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 a substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would like be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (6 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - Dept of Elementary and Secondary Education (DESE)			
Personnel (1 FTE)	\$17,500	\$36,772	\$37,691
Fringe Benefits	\$6,302	\$13,242	\$13,573
Expense and Equipment	\$4,180	\$824	\$848
Grants	\$0	<u>(Unknown)*</u>	<u>(Unknown)*</u>
Total Costs to DESE*	<u>(\$27,982)</u>	<u>(Unknown)*</u>	<u>(Unknown)*</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$27,982)</u></b>	<b><u>(Unknown)*</u></b>	<b><u>(Unknown)*</u></b>

\* Assumed to be in excess of \$100,000

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>SCHOOL DISTRICTS</b>			
<u>Income</u> - Grants from DESE	\$0	Unknown	Unknown
<u>Cost</u> - Matching funding for Mastering Math Grants	\$0	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>\$0</u></b>	<b><u>\$0*</u></b>	<b><u>\$0*</u></b>

\*Revenues and Expenses assumed to be in excess of \$100,000

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal establishes a four year, competitive grant program to school districts for improving math curriculum and instruction up to grade 9.

Applications may be made for grant funding for individual schools, a combination of schools or an entire school district. The proposal specifies certain elements which must be included in any application, including a process of instructional improvement and stated goals for improving student performance. Funding beyond the second year shall be based upon improvement in student performance on the 8th grade mathematics assessment.

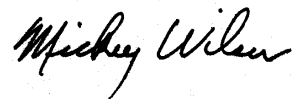
Upon conclusion of the grant, the Department of Elementary and Secondary Education may reimburse the local match, based upon improvement in student performance. The Department shall establish standards for student performance improvement needed for continued grant funding and reimbursement of local match.

Funds shall be distributed in equal amounts within geographic areas based proportionately on student population, but may be reallocated from an area if there are not sufficient applications.

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  
Office of Secretary of State



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Acting Director  
January 15, 2002

