

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2338-04
BILL NO.: SS For SCS For SBs 584, 539, 630, 777, 796, 918 & 927
SUBJECT: Education, Elementary and Secondary: Education Programs
TYPE: Original
DATE: April 25, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue*	(\$5,011,648)	(\$5,141,696)	(\$5,293,029)
State School Moneys	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)
Special Education Parental Training	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds*	GREATER THAN (\$5,111,648)	GREATER THAN (\$5,241,696)	GREATER THAN (\$5,393,029)

*Excludes unknown cost for math grants exceeding \$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	(UNKNOWN) TO GREATER THAN \$3,417,500	(UNKNOWN) TO GREATER THAN \$3,535,025	(UNKNOWN) TO GREATER THAN \$3,653,484

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 14 pages.

FISCAL ANALYSIS

ASSUMPTION

Math Grant Program

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 (\$47,611) and one FTE Senior Secretary (\$24,176) 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. Oversight has also excluded travel costs of \$4,500 annually, assuming the grant would be administered with minimal travel.

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.

ASSUMPTION (continued)

Assessments Without Charge

Officials from the **Department of Elementary and Secondary Education (DESE)** estimate the fiscal impact as follows:

FY 2001

Math-Science-Communication Arts-Social Studies
\$1.90 x 4 (subject areas) x 195,000 (students in 3 grade levels) = \$1,482,000
Fine Arts
\$8.50 x 65,000 (students in 1 grade level) = \$ 552,500
Health/Physical Education
\$6.50 x 130,000 (students in 2 grade levels) = \$ 845,000
TOTAL FY 2001 \$2,879,500

FY 2002

Math-Science-Communication Arts-Social Studies
\$1.90 x 4 (subject areas) x 195,000 (students in 3 grade levels) = \$1,482,000
Fine Arts
\$8.50 x 65,000 (students in 1 grade level) = \$ 552,500
Health/Physical Education
\$6.50 x 130,000 (students in 2 grade levels) = \$ 845,000
TOTAL FY 2002 \$2,879,500
Inflation adjustment x 1.03
TOTAL FY 2002 \$2,965,885

FY 2003

Math-Science-Communication Arts-Social Studies
\$1.90 x 4 (subject areas) x 195,000 (students in 3 grade levels) = \$1,482,000
Fine Arts
\$8.50 x 65,000 (students in 1 grade level) = \$ 552,500
Health/Physical Education
\$6.50 x 130,000 (students in 2 grade levels) = \$ 845,000
TOTAL FY 2003 \$2,879,500
Inflation adjustment x 1.06
TOTAL FY 2003 \$3,052,270

ASSUMPTION (continued)

DESE officials assume the state reimbursement for these costs represents a cost savings to local public school districts.

Board of Education Election

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would result in no fiscal impact to DESE or local public school districts.

Missouri School for the Deaf

Officials from the **Department of Elementary and Secondary Education (DESE)** estimate the fiscal impact as follows:

	Deaf <u>Children</u>
Average excess cost per student:	\$6,000
Assumed no. students participating:	173

(a) Deaf children -- \$6,000 (average cost per student) X 173 (number students) = \$1,038,000 for FY 2001;

(d) 3% inflation factor was used for FY 2002 and 2003 estimates of \$1,069,140 and \$1,101,214 respectively.

DESE officials assume this would be experienced as additional assistance to districts serving these children.

ASSUMPTION (continued)

Parental Training

Officials from the **State Treasurer's Office** assume the proposal would result in no fiscal impact to the agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** estimate the fiscal impact as follows:

1. A half-time Supervisor (0.5 FTE) would be needed. Estimated Cost = \$38,829.
2. Reimbursement for products and activities of Parent Training and Information Center (PTIC) and the Missouri Council of Administrators of Special Education (MOCASE). Estimated cost = \$50,000.
3. The Division of Special Education would award competitive grants to schools for parent training and information activities. Estimated costs assume 50 districts receiving grants averaging \$5,000 in the first year of the program. Estimated Cost = \$250,000.
4. The legislation indicates that the lead agency would receive an amount of the appropriation equal to the proportion that Part C beneficiaries are of all children with disabilities, ages 0 to 22. At present, that proportion is approximately 1.9 percent. Estimated Cost = \$6,500.
5. Information Technology (IT) costs for altering the existing web page application would be as follows:
 - \$25,000 Design, implementation and testing
 - \$ 2,000 8% project management fee
 - \$27,000

Maintenance costs for subsequent years are estimated by DESE to be 15% of \$25,000, which equals \$3,750.

The **Oversight Division** assumes DESE could administer the grant with existing grant resources.

Reading Assessments

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there could be some additional state aid going to school districts due to a potential increase in summer school enrollments; however, an amount is not known. On a statewide basis, the amount would likely be in excess of \$100,000. This would affect the State School Moneys Fund.

ASSUMPTION (continued)

DESE officials assume the proposal would create reading level assessments for public school students beginning in the 3rd grade. Remediation would be required if the pupil is determined to be deficient in reading skills. Additional costs would be incurred for development of a plan, remediation, and assessments that would continue until acceptable reading standards would be achieved. Assuming that districts would bear this cost, the fiscal impact to local districts of this provision would be expected to be in the area of \$500,000.

Districts could receive an increase in foundation formula money to offset the summer school reading instruction cost if there would be an increase in summer school participation. DESE officials were unable to determine fiscal impact of the summer school program since some of the students are already enrolled in summer school.

College and University Governing Boards - Faculty Member Representatives

Officials from **Truman State University, Harris-Stowe State College and Missouri Western State College** assume the proposal would result in no fiscal impact to the agencies.

Officials from the **University of Missouri** assume the proposal would result in little or no fiscal impact on the university.

Officials from **Linn State Technical College** state that from a long-range standpoint this legislation would potentially disrupt the teaching schedule, disclose closed session information that has previously been discussed only among board members and the president of the college and would potentially increase the cost of off-campus meetings.

Officials from the **Coordinating Board For Higher Education (CBHE)** assume the proposal would result in no fiscal impact to the CBHE. However, CBHE officials assume there would be a minor impact on affected institutions for the expense of an additional board representative.

The **Oversight Division** assumes additional board expenses would be minimal and could be absorbed by the affected institutions.

Missouri Engineering and Science Academy

Officials from the **Department of Natural Resources and Department of Social Services** assume the proposal would result in no fiscal impact to the agencies.

ASSUMPTION (continued)

Officials from the **Coordinating Board For Higher Education (CBHE)** assume there would be no fiscal impact on the CBHE. However, there would certainly be a fiscal impact on the University of Missouri as the Rolla campus would be responsible for developing and funding the MESA. There would also be a fiscal impact associated with the faculty developing and funding the in-service teachers program. While there would not be an impact on the CBHE, the costs to the University of Missouri -Rolla would likely be seen in future CBHE appropriation requests. CBHE officials assume there would be a potential impact on the Department of Elementary and Secondary Education.

Officials from the **Department of Elementary and Secondary Education (DESE)** estimate the fiscal impact as follows:

DESE assumes that these programs would be structured similar to the Missouri Fine Arts Academy:

- 1) A 3-week academy of 220 student participants costs approximately \$320,000.
- 2) The professional development piece for in-service science teachers is estimated to cost approximately \$50,000.
- 3) It is assumed that the state would pay for all costs.

Total cost of this legislation is estimated to be about \$370,000, beginning FY 2001. This amount is increased by 3% per year to provide an inflation adjustment.

Officials from the **University of Missouri** estimate the minimum costs to the university would be approximately \$380,000 per 100 public school teachers. This includes costs for University of Missouri Rolla faculty, public school teachers and general supplies. The **Oversight Division** has reduced this cost by \$50,000, assuming the cost for in-service science teachers was included in DESE's estimate.

College and University Governing Boards - Student Representatives

Officials from the **Coordinating Board For Higher Education (CBHE)** assume the proposal would result in no fiscal impact on the CBHE; however, a minimal fiscal impact would result to institutions that do not currently reimburse the expenses of student board representatives. The Oversight Division assumes these expenses could be absorbed by the institutions.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Cost-General Revenue Fund</u>			
Appropriations to the Special Education Parental Training Fund	(\$333,500)	(\$319,445)	(\$329,029)
<u>Cost-Department of Elementary and Secondary Education</u>			
Personal Services (1 FTE)	(\$40,651)	(\$50,021)	(\$51,272)
Fringe Benefits	(\$12,500)	(\$15,381)	(\$15,766)
Expense and Equipment	(\$7,497)	(\$824)	(\$848)
Math Grants	(Unknown)	(Unknown)	(Unknown)
Assessment Tests	(\$2,879,500)	(\$2,965,885)	(\$3,052,270)
Student Participants in MESA	(\$320,000)	(\$329,600)	(\$339,488)
In-Service Science Teachers	(\$50,000)	(\$51,500)	(\$53,045)
State Aid for Deaf Children	<u>(\$1,038,000)</u>	<u>(\$1,069,140)</u>	<u>(\$1,101,214)</u>
Total <u>Cost-DESE</u>	(\$4,348,148)	(\$4,482,351)	(\$4,613,903)
<u>Cost-University of Missouri Rolla</u>			
MESA and Science Summer Program	(\$330,000)	(\$339,900)	(\$350,097)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*	<u>(\$5,011,648)</u>	<u>(\$5,141,696)</u>	<u>(\$5,293,029)</u>

*Excludes unknown cost for math grants.

STATE SCHOOL MONEYS FUND

<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
State Aid for Summer School (Reading)	(GREATER THAN <u>\$100,000</u>)	(GREATER THAN <u>\$100,000</u>)	(GREATER THAN <u>\$100,000</u>)

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<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
SPECIAL EDUCATION PARENTAL TRAINING FUND			
<u>Income-Department of Elementary and Secondary Education (DESE)</u>			
Appropriations from General Revenue	\$333,500	\$319,445	\$329,029
<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
IT Expense	(\$27,000)	(\$3,750)	(\$3,863)
PTIC and MOCASE expenses	(\$50,000)	(\$51,500)	(\$53,045)
Grants	(\$250,000)	(\$257,500)	(\$265,225)
Lead Agency	<u>(\$6,500)</u>	<u>(\$6,695)</u>	<u>(\$6,896)</u>
Total <u>Cost-DESE</u>	(\$333,500)	(\$319,445)	(\$329,029)
ESTIMATED NET EFFECT ON SPECIAL EDUCATION PARENTAL 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>			
Math Grants from DESE	Unknown	Unknown	Unknown
Parent Training Grants	\$250,000	\$257,500	\$265,225
State Aid for Deaf Children	\$1,038,000	\$1,069,140	\$1,101,214
State Aid For Summer School (Reading)	GREATER THAN \$100,000	GREATER THAN \$100,000	GREATER THAN \$100,000
Total <u>Income</u> -School Districts	GREATER THAN \$1,388,000	GREATER THAN \$1,426,640	GREATER THAN \$1,466,439
<u>Savings-School Districts</u>			
Assessment Tests	\$2,879,500	\$2,965,885	\$3,052,270
<u>Cost School Districts</u>			
Math Grant Match	(Unknown)	(Unknown)	(Unknown)
Mastering Math Program	(Unknown)	(Unknown)	(Unknown)
Parent Training	(\$250,000)	(\$257,500)	(\$265,225)
Plan Development, Remediation, Assessments (Reading)	(\$500,000)	(\$500,000)	(\$500,000)
Summer School (Reading)	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)	(GREATER THAN \$100,000)
Total <u>Cost</u> -School Districts	GREATER THAN (\$850,000)	GREATER THAN (\$857,500)	GREATER THAN (\$865,225)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	GREATER THAN \$3,417,500	GREATER THAN \$3,535,025	GREATER THAN \$3,653,484

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
COUNTY OR CITY			
<u>Cost-County or City</u>			
Election of Parent Advisory Council Members	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)
	TO GREATER THAN	TO GREATER THAN	TO GREATER THAN
	<u>\$3,417,500</u>	<u>\$3,535,025</u>	<u>\$3,653,484</u>
<u>DESCRIPTION</u>			

Math Grant Program (2338-01)

The proposal would create the Mastering Math Program. Beginning July 1, 2001, DESE would provide four-year competitive matching grants to assist public school districts in math programs.

Upon conclusion of the grant and based on improvement in student performance on the math portion of the statewide assessment, DESE could reimburse the grantee for its local match.

Assessments Without Charge (2329-01)

The Department of Elementary and Secondary Education would be required to furnish sufficient copies of all assessments to each school district without charge, using funds appropriated for that purpose.

Board of Education Election (2707-02)

The proposal would change the qualifications, elections and districting for the St. Louis School Board.

Missouri School for the Deaf (4219-06)

School districts serving students qualified to enroll in the Missouri School for the Deaf could bill DESE for costs which exceed all available local, state and federal revenues and reimbursements. Reimbursements by DESE would be subject to appropriation of state funds.

DESCRIPTION (Continued)

Parental Training (4221-01)

The Division of Special Education within DESE would administer a grant program to expand the availability of training and information to support the needs of parents of children with disabilities.

Each school district applying for grants must have in place a parent advisory council. The appointed members would serve until the next possible county or municipal general election, at which time the parent members of the parent advisory council would be elected.

Each year the Division would designate a portion of the state appropriation to the lead agency of the state's early intervention system which would use the funds for training and information dissemination to families of infants and toddlers who are receiving services from the early intervention system.

The proposal would create the Special Education Parental Training Fund to be administered by the Division of Special Education. The fund would be used to establish and maintain the special education parental training program.

Reading Assessments (4098-03)

Methods of reading assessment would be determined by each school district. Each school district would administer a reading assessment to each student within 45 days of the end of each school year. Assessments would be required first to students seeking promotion to the third grade and repeated as necessary through the end of the eighth grade, with the process ending at the end of the ninth grade.

A student scoring proficient on the statewide assessment in communication arts would be considered meeting the reading standard.

Each school district would be required to offer summer school reading instruction to any student with a reading improvement plan. Districts may fulfill the requirement with neighboring districts.

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DESCRIPTION (Continued)

College and University Governing Boards - Faculty Member Representatives (3552-01)

The Governor would appoint a faculty member representative to the Board of Curators of the University of Missouri and Lincoln University, the Board of Regents of each education institution per section 174.020, and the Board of Governors of Truman State University. The faculty member representatives would receive the same reimbursement as other members of the board.

The Governing Board of Truman State University would consist of eleven members (under current law ten members).

Missouri Engineering and Science Academy (3490-01)

The proposal would create the Missouri Engineering and Science Academy (MESA) for educating high ability high school students who have an interest in science or engineering and have demonstrated abilities in science and mathematics.

The academy curriculum would be developed by faculty at and managed and funded through the Rolla campus of the University of Missouri (UMR).

The proposal would establish at UMR a science summer program for in-service science teachers to enhance their knowledge and awareness of environmental matters associated with the history of natural resource development and land use changes in Missouri.

The science summer program would be funded, administered and taught by faculty at the Rolla campus of the University of Missouri with assistance from DESE.

Participating in the science summer program could be included as part of a teacher's participation in the career development and teacher excellence plan, to the extent such participation would be consistent with the teacher's career plan approved by the school district.

College and University Governing Boards - Student Representatives (3706-01)

Confidentiality would apply to all members and representatives of the Boards of Regents and Boards of Governors of educational institutions and Board of Curators of Lincoln University. Closed meetings would be closed to student representatives.

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DESCRIPTION (Continued)

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
State Treasurer's Office
Truman State University
Harris-Stowe State College
Missouri Western State College
University of Missouri
Linn State Technical College
Department of Social Services
Coordinating Board For Higher Education
Department of Natural Resources



Jeanne Jarrett, CPA
Director
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