

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4297-03
BILL NO.: HCS For SB 944
SUBJECT: Education, Elementary and Secondary: Teachers
TYPE: Original
DATE: April 27, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$2,652,932)	(\$2,652,932)	(\$2,652,932)
Video Instructional Development and Educational Opportunity Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds*	(\$2,652,932)	(\$2,652,932)	(\$2,652,932)

*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	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services, Department of Mental Health, Department of Health, Attorney General's Office, Department of Public Safety - Highway Patrol and Office of State Courts Administrator** assume the proposal would result in no fiscal impact to the agencies.

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 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 <u>2</u>	Times two for an annualized total
\$1,247,932	Total
x <u>1.048%</u>	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 the state fiscal impact and revenue and costs to school districts for increased Video grants in the

ASSUMPTION (continued)

local fiscal impact.

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 x .01 = \$13,078) and 2% (\$1,307,833 x .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.

<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)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*	<u>(\$2,652,932)</u>	<u>(\$2,652,932)</u>	<u>(\$2,652,932)</u>

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

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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
<u>Cost-School Districts</u>			
Video Instructional Programs	(\$2,692,167)	(\$2,692,167)	(\$2,692,167)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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.

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.

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.

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DESCRIPTION (Continued)

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

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
Department of Mental Health
Department of Corrections
Attorney General's Office
Department of Revenue

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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