

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1030-01
Bill No.: HB 382
Subject: Education, Elementary and Secondary
Type: Original
Date: January 21, 2015

Bill Summary: This proposal requires school districts to establish comprehensive guidance and counseling programs for students attending school in the district.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	(\$19,264,800)	(\$18,064,800)	(\$18,064,800)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume §167.266.3 will affect rural and small schools as they often have one counselor for the district. Approximately 300 schools do not report having a counselor (though these may be PK-K buildings). Average salary is \$46,320 based on 2014 preliminary numbers plus 30% benefits equaling \$60,216. The one FTE plus benefits is \$60,216 for 300 schools which equals \$18,064,800.

Under current MSIP Resource/Process standards the minimum FTE that can be hired is a .2 FTE. If the 300 school districts just hired the minimum .2 FTE the cost would be calculated as \$9,264 salary plus \$2,779 benefits for a total of \$12,043 x 300 schools which equals \$3,612,900.

This could be an ongoing cost of \$3,612,900 to \$18,064,800. The cost to districts will increase as salaries and benefits increase.

DESE assumes §167.266.4(2) is an unknown cost. Currently a team consults and makes referrals. It is unknown who pays when student/parent/guardian acts upon referral.

DESE assumes §167.266.8 requires each school building in the district to have an accessible counseling center. DESE estimates about 400 buildings will need to add a center (the 300 without a counselor currently assigned plus another 100 across the state where the counseling center is shared) at approximately \$3,000 for computer, furnishings, software and licenses for a total of \$1.2 million.

DESE notes that all costs are shown at the local level; however, mandating specific requirements within school districts could violate the Hancock amendment resulting in the costs being borne by the state.

Oversight assumes this proposal requires all students grade three and above to receive guidance and counseling in three areas (academic development, career development, and social and personal development). Given the requirement that all students must receive this counseling and the detailed responsibilities of each of these development areas, Oversight assumes each school currently without a counselor would need to hire one full time person. Oversight will show the impact for the 300 counselors as the estimate provided by DESE.

Officials at the **Kansas City Public Schools** assume this will have a negative fiscal impact to the district in the area of training. They estimate the negative impact to be approximately \$100,000.

ASSUMPTION (continued)

Officials at the **Special School District of St. Louis** assume there is no fiscal impact from this proposal.

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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 at substantial costs, the SOS could request funding through the appropriation process.

Officials at the following schools: Blue Springs Public Schools, Branson Public Schools, Caruthersville School District, Cole R-I Schools, Columbia Public Schools, Everton R-III School District, Fair Grove Schools, Fulton Public School, Harrisonville School District, Independence Public Schools, Jefferson City Public Schools, Kirksville Public Schools, Kirbyville R-VI Schools, Lee Summit Public Schools, Macon School, Malta Bend Schools, Mexico Public Schools, Monroe City R-I Schools, Nixa Public Schools, Parkway Public Schools, Pattonville Schools, Raymore-Peculiar R-III Schools, Raytown School District, Riverview Gardens School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Spickard School District, Springfield School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools, Warren County R-III School District and Waynesville Public School did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
LOCAL SCHOOL DISTRICT FUNDS			
<u>Costs</u> - Local School Districts - hiring one counselor per building	(\$18,064,800)	(\$18,064,800)	(\$18,064,800)
<u>Costs</u> - Local School Districts - adding counseling centers to buildings	<u>(\$1,200,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	<u>(\$19,264,800)</u>	<u>(\$18,064,800)</u>	<u>(\$18,064,800)</u>

FISCAL IMPACT - Small Business

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

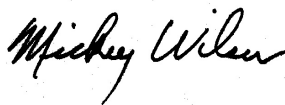
FISCAL DESCRIPTION

This legislation requires school districts to establish comprehensive guidance and counseling programs for students attending school in the district.

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
Joint Committee on Administrative Rules
Kansas City Public Schools
Office of the Secretary of State
Special School District of St. Louis



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