

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4387-01  
Bill No.: HB 1458  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education  
 Department; Teachers  
Type: Original  
Date: January 11, 2016

Bill Summary: This proposal establishes the Missouri Parent/Teacher Involvement Act.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Unknown over \$1,000,000 up to \$35,456,880)	(Unknown over \$1,000,000 up to \$35,456,880)	(Unknown over \$1,000,000 up to \$35,456,880)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Unknown over \$1,000,000 up to \$35,456,880)</b>	<b>(Unknown over \$1,000,000 up to \$35,456,880)</b>	<b>(Unknown over \$1,000,000 up to \$35,456,880)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
MO Parent/Teacher Involvement Program	(\$67,945)	(\$79,996)	(\$80,806)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$67,945)</b>	<b>(\$79,996)</b>	<b>(\$80,806)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 11 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
MO Parent/Teacher Program	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0 to (Up to \$35,456,880)</b>	<b>\$0 to (Up to \$35,456,880)</b>	<b>\$0 to (Up to \$35,456,880)</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** notes this proposal creates the Missouri Parent/Teacher Involvement Act to provide grants to school districts that increase communication and accountability between families and schools. Priority for distribution of the grants is to be given to districts with Missouri assessment program scores in the lowest twentieth percentile.

In §161.954 this proposal creates the Missouri Parent/Teacher Involvement Program Fund to consist of money appropriated to it for the disbursement of the grants. **Oversight** notes this proposal does not designate a funding source for the Fund and therefore, for fiscal note purposes, Oversight will show the funding source as General Revenue.

**Oversight** notes this proposal requires K-12 school districts to operate parent/teacher involvement programs that meet certain requirements:

- fifty percent of staff participate in home visits
- parents or legal guardians agree to the home visits
- staff who participate receive training
- staff who participate are compensated with extra duty pay
- all home visits be conducted by two staff persons

According to the 2014-2015 Statistics of Missouri Public Schools published by the Department of Elementary and Secondary Education, the number of certified staff in schools is 86,470 and there are 886,423 students attending public school. Since this proposal requires that fifty percent of staff participate in the home visits, 43,235 staff would be involved. If half the students participate in the program and receive one home visit a year there would be 443,211 home visits a year done by the schools. This would average about 20 home visits per staff per year.

**Oversight** assumes that if each home visit lasts two hours and the average rate of pay per staff is \$20 per hour then the cost of one home visit is \$80. With 443,211 home visits per year estimated then the cost for the home visits would be \$35,456,880 annually.

**Oversight** assumes that since the legislature must appropriate moneys to the new Fund and since the priority of the funding is districts with the lowest assessment scores, school districts may need to cover the majority of the home visits expenses themselves. Oversight will show the transfer out from General Revenue of Unknown over \$1 million up to the estimated \$35,456,880 annually.

ASSUMPTION (continued)

Officials at the **Department of Elementary and Secondary Education (DESE)** assume the need for one Director (\$60,696) to coordinate and administer the program which would include the distribution of grant monies. DESE estimates the Director cost would including salary, benefits and office expenses of \$86,006 in FY 2017, \$95,612 in FY 2018 and \$96,578 in FY 2019.

**Oversight** has, for fiscal note purposes only, adjusted the salary and benefits of the Director to correspond with the range for starting salaries posted by DESE for similar positions.

Officials at the **Office of the State Treasurer** assume there is no fiscal impact from this proposal.

Officials at the **Riverview Gardens School District** assume a cost of \$196,400 annually.

Officials at the **Kansas City Public Schools** see no unfunded mandates within the text of the proposal.

Officials at the **Bakersfield School District** it would cost for one quarter and half of the staff \$2,640 so for the full year \$10,560.

Officials at the **Bloomfield R-14 School District** assume that if the legislature fully funds this program without effecting the foundation formula then there would be no fiscal impact. If the foundation formula is impacted or the program not funded then the district would be impacted. It is unknown how much at this time.

Officials at the **Bronaugh** and the **East Newton School Districts** each assume this proposal would have a financial impact on the district but the amount is unknown.

In response to similar legislation filed this year, SB 697, officials at the **Campbell R-II School District** assumed the impact will be determined on where the funding for the grants came from.

Officials at the **Cassville School District** assume an impact of \$18,500.

Officials at the **Chilhowee R-IV School District** assume the cost would be considerable. To calculate the cost of home visits several assumptions were made including the average hourly rate of teachers, average hourly rate of administrators, fifty percent participation rate of students K-6 and 35 visits per quarter to account for combined families. Three hours charged per each visit. Based on those assumptions one administrator and one teacher will attend the visit for

ASSUMPTION (continued)

three hours and there will be a 3.5% increase in salary expenditures, which does not include travel expenses.

In response to similar legislation filed this year, SB 697, officials at the **Concordia R-II School District** assumed that any time that a new grant is proposed without a new funding source it comes out of the foundation formula. It is harder for small schools to participate and win competitive grants as they do not have the personnel who have the time and expertise to write grants. Unlike other small rural districts, because of our location on I-70 and tax base associated with it, we rely more heavily on local funds. When you do not receive much foundation formula and it is diverted for other non-funded mandates it really hurts districts like Concordia. If this new proposal even took \$20 out of the state adequacy target (currently \$6,109.9968) it would impact us based on our ADA (415.1557) by a reduction of approximately \$9,000.

Officials at the **Crocker School District** assume the impact is unknown until the regulations and funding for the program are determined.

In response to similar legislation filed this year, SB 697, officials at the **Forsyth R-III School District** assumed they could be impacted up to \$50,000 if state budget funds are reduced to fund this grant.

Officials at the **Grain Valley School District** assume that if the initiative is funded with foundation formula money then the district would be impacted negatively. This negative impact could be large.

Officials at the **Hawthorn Leadership** assume this may have a positive impact on their budget.

Officials at the **Kearney School District** assume an impact of \$100,000 for the home visits annually.

Officials at the **Kingston 42 School District** assume this could increase benefits and transportation costs.

Officials at the **Lewis County C-1 School District** assume a significant expense for the district. The exact impact is unknown as it is unclear if the fund will help pay the expenses and the home visits must be agreed to be the parents.

Officials at the **Macon R-IV School District** assume the cost to the district would be the grant if not funded by the legislature. The hourly staff rate is \$27 per hour.

ASSUMPTION (continued)

Officials at the **New Haven School District** assume that one visit a month for two hours each at the hourly rate of \$40 and nine visits per teacher. This would be \$720 per teacher. Unknown if school will receive the grant to offset any of the costs.

Officials at the **Orrick School District** assume the impact is unknown as it is not clear what the funding source is for the grant.

Officials at the **Sarcoxie** and the **Shell Knob School Districts** each assume the impact is unknown.

Officials at the **Seymour R-II School District** assume that one home visit each year for 75% of students in teacher teams paid their hourly rate would be \$210,000.

Officials at the **Shelby County R-IV School District** assume that training for staff would be \$10 per hour. Compensating 50 employees at an average hourly rate of \$30.50 an hour. The cost would be \$1,500 for half of the staff to make one visit. \$3,000 for all the staff to make one visit.

Officials at the **St. Charles** and the **Warren County R-III school districts** each assume no impact if funded by the legislature. If foundation formula money is used then large unknown impact to the district.

Officials at the **Webster Groves School District** assume it would cost \$100 per day for a substitute teacher to cover classes while the teacher is doing home visits.

Officials at the **Wright City School District** assume \$10,000 in travel reimbursement expenses and \$32,000 in stipends. An indirect cost would be loss of foundation formula money if this is funded using that money.

Officials at the **Brentwood, Eldon, Everton, Kirbyville, Lonedell, Middle Grove, Pettis County R-XII, Renick, Smithville,** and the **West Plains** school districts each assume there is no fiscal impact from this proposal to their respective districts.

Officials at the **Bismarck, Fredericktown** and the **Milan** school districts each responded to Oversight's request for fiscal impact but did not indicate an impact.

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Avilla R-13, Belton, Benton County R-2, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Carrollton R-7, Caruthersville, Central R-III, Clarkton C-4, Cole R-I, Columbia, Crawford County R-1, Delta

ASSUMPTION (continued)

C-7, East Carter R-2, Fair Grove, Fair Play, Fayette R-3, Fox C-6, Fulton, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kennett #39, King City R-1, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lewis County C-1, Lindbergh, Macon County R-1, Mehville, Mexico, Midway R-1, Moberly, Monroe City R-I, Morgan County R-2, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Osage County R-II, Osborn R-O, Parkway, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Richland R-1, Salisbury R-4, Scotland County R-I, Sedalia, Sikeston, Silex, Slater, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Elizabeth R-4, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warrensburg R-6, and the Westview C-6 School District did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017	FY 2018	FY 2019
	(10 Mo.)		
<b>GENERAL REVENUE</b>			
<u>Transfer Out - to the MO Parent/Teacher Involvement Program Fund</u>	(Unknown over \$1,000,000 up to \$35,456,880)	(Unknown over \$1,000,000 up to \$35,456,880)	(Unknown over \$1,000,000 up to \$35,456,880)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Unknown over \$1,000,000 up to \$35,456,880)</u></b>	<b><u>(Unknown over \$1,000,000 up to \$35,456,880)</u></b>	<b><u>(Unknown over \$1,000,000 up to \$35,456,880)</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2017 (10 Mo.)	FY 2018	FY 2019
 <b>MO PARENT/TEACHER INVOLVEMENT PROGRAM FUND</b>			
	Unknown greater than \$1,000,000 up to \$35,456,880	Unknown greater than \$1,000,000 up to \$35,456,880	Unknown greater than \$1,000,000 up to \$35,456,880
<u>Transfer In</u> - from General Revenue			
 <u>Costs</u> - Dept of Elementary and Secondary Education			
Personnel Services	(\$40,460)	(\$49,038)	(\$49,528)
Fringe Benefits	(\$19,464)	(\$23,489)	(\$23,623)
Equipment and Expenses	<u>(\$8,021)</u>	<u>(\$7,469)</u>	<u>(\$7,655)</u>
<u>Total Costs</u> - DESE	(\$67,945)	(\$79,996)	(\$80,806)
FTE Change - DESE	1 FTE	1 FTE	1 FTE
	(Unknown greater than \$1,000,000 up to \$35,456,880)	(Unknown greater than \$1,000,000 up to \$35,456,880)	(Unknown greater than \$1,000,000 up to \$35,456,880)
<u>Transfer Out</u> - School Districts for grants			
 <b>ESTIMATED NET EFFECT ON MO PARENT/TEACHER INVOLVEMENT PROGRAM FUND</b>			
	<b><u>(\$67,945)</u></b>	<b><u>(\$79,996)</u></b>	<b><u>(\$80,806)</u></b>
Estimated net FTE Change for the MO Parent/Teacher Involvement Program Fund	1 FTE	1 FTE	1 FTE



(\$35,456,880)

FISCAL IMPACT - Local Government

FY 2017  
(10 Mo.)

FY 2018

FY 2019

**SCHOOL DISTRICT FUNDS**

Transfer In - from MO Parent/Teacher Involvement Program Fund -grants to schools

Unknown greater than \$1,000,000 up to \$35,456,880

Unknown greater than \$1,000,000 up to \$35,456,880

Unknown greater than \$1,000,000 up to \$35,456,880

Costs - reimbursement of home visit expenses

(\$35,456,880)

(\$35,456,880)

(\$35,456,880)

**ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS**

**\$0 to (Up to \$35,456,880)**

**\$0 to (Up to \$35,456,880)**

**\$0 to (Up to \$35,456,880)**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill establishes the Missouri Parent/Teacher Involvement Act to provide grants to schools to build trusting relationships between families and school staff. The Department of Elementary and Secondary Education must coordinate and administer the program, and priority is given to school districts scoring in the lowest 20% on their assessment program scores. Schools serving grades K-12 must operate programs that meet requirements established in the bill.

Beginning in school year 2017-2018, each school board must adopt a policy on parental involvement containing elements based on recommendations adopted by the State Board of Education for the development of these policies.

The bill creates the Missouri Parent/Teacher Involvement Program Fund consisting of moneys appropriated for the program.

The provisions of the bill expire six years after the effective date.

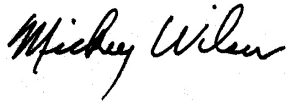
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Bakersfield School District  
Bismarck School District  
Bloomfield R-14 School District  
Brentwood School District  
Bronaugh School District  
Campbell R-II School District  
Cassville School District  
Chilhowee School District  
Concordia R-II School District  
Crocker School District  
Department of Elementary and Secondary Education  
East Newton R-VI School District  
Eldon School District  
Everton School District  
Forsyth R-III School District  
Fredericktown School District  
Grain Valley School District  
Hawthorn Leadership  
Kansas City Public Schools  
Kearney School District  
Kingston 42 School District  
Kirbyville School District  
Lewis County C-1 School District  
Lonedell School District  
Macon County R-IV School District  
Middle Grove School District  
Milan C-2 School District  
New Haven School District  
Office of the State Treasurer  
Orrick Schools  
Pettis County R-XII School District  
Renick School District  
Riverview Gardens School District  
Sarcoxie R-II School District  
Seymour School District  
Shelby County R-IV School District  
Shell Knob School District  
Smithville R-II School District

SOURCES OF INFORMATION (continued)

St. Charles School District  
Warren County R-III School District  
Webster Groves  
West Plains School District  
Wright City R-II School District



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January 11, 2016

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