

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3776S.01I
 Bill No.: SB 647
 Subject: Civil Penalties; Education, Elementary and Secondary; Department of Elementary and Secondary Education; Teachers
 Type: Original
 Date: February 7, 2022

Bill Summary: This proposal establishes a grievance process for parents and guardians of elementary and secondary school students.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue*	(Less than \$100,000 or Unknown)	(Less than \$100,000 or Unknown)	(Less than \$100,000 or Unknown)
Total Estimated Net Effect on General Revenue	(Less than \$100,000 or Unknown)	(Less than \$100,000 or Unknown)	(Less than \$100,000 or Unknown)

*The proposal allows for an award (\$1,500 or local property tax contribution – whichever is higher) but Oversight is unsure what governmental body would pay this award (DESE or local school districts); therefore, Oversight has reflected a potential unknown cost to the state.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from **Department of Elementary and Secondary Education (DESE)** state the Office of Governmental Affairs estimates costs of less than \$100,000. These costs which will be dependent on the number of hearing appeals to the State Board and includes, but are not limited to:

- Hearing officer time for hearing and drafting recommendations for the State Board;
- Administrative assistant time to schedule hearings, provide notice to parties and any settlement negotiations;
- Court reporter costs;

For cost explanation purposes, the average cost for a teacher discipline hearing is \$566.55/hearing:

- Average of 3 hours of hearing officer time x average of \$58.08/hour
- Average of 7 hours administrative assistant time x \$31.08/hour
- Average of \$174.75 in court reporter costs/hearing.

In response to a similar proposal, SB 352 (2021), **DESE** also stated Section 167.195.4, RSMo, provides that, in addition to any other remedies that may be available in an agency or civil action brought under this new provision, a parent or guardian shall be awarded the greater of \$1,500 or the total amount of the parent's or guardian's contribution to local property taxes in the preceding year, if the school district fails to show that it complied by a clear and convincing evidentiary standard. Subsection 4 does not state which administrative or judicial body has the authority to issue such an award. However, pursuant to Chapter 536, RSMo, decisions issued on contested cases contain two elements: findings of facts and conclusions of law. They do not contain money awards. The legislation does not indicate who would be issuing these awards, therefore, DESE indicated an unknown estimate if the department is expected to issue these awards.

Officials from the **Attorney General's Office, Office of Administration - Administrative Hearing Commission, Office of the State Courts Administrator** and the **Department of Revenue** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a similar proposal, SB 352 (2021), officials from the **Springfield Public Schools** stated the estimated cost is \$75,000 for an attorney and administrative staff.

In response to a similar proposal, SB 352 (2021), officials from the **Lee's Summit R-VII School District, High Point R-III School District, City of Claycomo, City of Corder, City of Kansas**

City and the **Lincoln County Assessor** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight assumes there could be additional costs for school districts to implement grievance procedures.

In addition, **Oversight** assumes there could be a loss to school districts for a civil action award in the amount of \$1,500 per claim or the total amount of the parent's contributions to local property taxes whichever is greater. Oversight notes if 5% of the 518 school districts had to pay an award of \$1,500, the cost is estimated at \$39,000 (26 * \$1,500). Ultimately, Oversight is uncertain how many grievances awards may be issued and will show a range of impact from \$0 (no grievance awards) to an unknown cost.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 \$5,000. 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 its 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.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE			
<u>Costs</u> – DESE - hearing appeals – §167.196	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Costs</u> – DESE? - awards granted to aggrieved parents - §167.196 – unsure who would pay the award.	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Less than \$100,000 or Unknown)	(Less than \$100,000 or Unknown)	(Less than \$100,000 or Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
SCHOOL DISTRICTS			
<u>Costs</u> – to implement grievance procedures - §167.196	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> – awards granted to aggrieved parents - §167.196 – unsure who would pay the award	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Under this act, a parent or guardian may file with the school board a formal objection to any school policy, practice, or procedure which applies to the parent, guardian, or his or her child, including instructional materials or methods not required by state law.

Parents and guardians may appeal a school board’s denial by filing such appeal with the Department of Elementary and Secondary Education within fifteen days of the issuance of the denial.

A parent or guardian shall be awarded one thousand five hundred dollars or the total amount of the parent or guardian's contributions to local property taxes in the preceding year, whichever is greater, if the school district fails to show by clear and convincing evidence that it responded as required by the act. Such award shall only be used for the child's educational expenses.

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

Attorney General's Office
Office of Administration - Administrative Hearing Commission
Department of Elementary and Secondary Education
Department of Revenue
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the State Courts Administrator
Springfield Public Schools
Lee's Summit R-VII School District
High Point R-III School District
City of Claycomo
City of Corder
City of Kansas City
Lincoln County Assessor



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February 7, 2022



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