

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0522-03
Bill No.: Perfected SCS for SB 42 & 108
Subject: Education, Elementary and Secondary
Type: Original
Date: April 30, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$1,248,265 to Unknown)	(\$1,305,809 to Unknown)	(\$1,345,592 to Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(\$1,248,265 to Unknown)	(\$1,305,809 to Unknown)	(\$1,345,592 to Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government*	(Unknown)	(Unknown)	(Unknown)

***Estimated to exceed \$100,000 annually.**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 11 pages.

FISCAL ANALYSIS

ASSUMPTION

SB 42 - Regulates Internet access for minors

Officials from the **Office of State Courts Administrator** assume the proposal would result in no fiscal impact to the agency.

Officials from the **Missouri River Regional Library** assume they would need a Network Assistant (\$46,000) and a Library Assistant (\$21,804), plus fringe benefits. They would need equipment costing approximately \$32,000 annually.

Officials from the **Daniel Boone Regional Library**, in a response to a similar proposal, assumed the proposal would result in personnel costs of approximately \$150,000 annually; capital improvements of approximately \$72,000 in FY 2001; and computer software and supplies of \$43,000 in FY 2001 and approximately \$9,000 annually in subsequent fiscal years.

Officials from the **Secretary of State's Office (SOS)** state Section 181.020(4), RSMo, directs the Missouri State Library to "furnish information and counsel as to the best means of establishing and maintaining libraries, selection of materials, cataloging, and other details of library management." To that end, the State Library employs staff within the Library Development Division to carry out this function. Library Development staff provide assistance through one on one consultation and training sessions. It is estimated that questions from public library directors, trustees, and those maintaining the software on library computers would require the services of the equivalent of .5 FTE. Personnel costs for .5 FTE (\$18,366) Library Consultant are based on budget rate for the position. Salary increases are projected at 2.5%. Expense and Equipment calculations are \$3,352 per each new .5 FTE.

SOS officials state it would not be possible to project a total cost of public libraries to install filtering software. Costs for filtering software vary widely by vendor and type, number of computer stations, and whether the software is installed on each "client" computer workstation or on a central server. The web pages of a sampling of filtering software vendors indicate approximate annual costs in the following ranges: \$150 for a site with 5 computers; \$500 to \$800 for 25 computers; and up to \$2,500 or more for a site with 125 computers. Several large library systems with many branches would have 100 or more computer stations requiring filtering software. Libraries choosing to install the filtering software on a server could also need to purchase suitable equipment for the installation. SOS officials also assume public libraries could have additional staff costs due to the legislation. Staff time required for installation and maintenance of filtering software could be significant. If all terminals have filtering software, requests from adults for access to unfiltered sites might require assistance from library staff. Requests to have sites unblocked would be processed individually, and could require individual

ASSUMPTION (continued)

adjustments of the software. Library staff would also have to monitor the use of the computer workstation, to ensure the filtering software is active when the workstation is used by minors. Library technical services staff would also need to spend considerable amounts of time, at least initially, checking to see that the filtering software did not block access to sites the library did not wish to block.

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued could require as many as 6 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$369 for FY 2002. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the Secretary of State 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 Secretary of State could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would result in no direct fiscal impact to DESE. At the local school district level, DESE assumes the following:

- 1) 140,286 computers in Missouri school districts with internet connectivity.
- 2) 42% of districts report using filtering software on 85% of their computers.
- 3) The distribution of these computers across districts is not known.
- 4) Filtering software ranges in cost from \$0 to \$25. Additionally, software prices and capabilities vary according to the target age level.

Given this information, DESE believes the cost of this legislation would be significant, i.e., in excess of \$100,000; however, DESE does not feel there is enough information available to construct a specific estimate.

SB 108 - Creates summer academy at UMR

Officials from the **Coordinating Board For Higher Education (CBHE)** assume there would be

ASSUMPTION (Continued)

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. The **Oversight Division** has reduced this cost by \$270,000, assuming the University cost for the academy is included in the DESE estimate.

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. University officials estimated a total cost of \$270,000 for a three-week summer program for 200 students.

These amounts are increased by 3% per year to provide an inflation adjustment.

SECTION 1 - Child Care Programs Located on School Property

According to the Department of Elementary and Secondary Education, current regulations allow such programs to operate under license-exempt status. The department encourages such programs to operate in accordance with the licensing requirements; however, the department does not monitor, nor can it be readily determined, the extent to which such programs are chapter 210 deficient.

ASSUMPTION (continued)

Currently, 292 districts have applied for school-age child care program grants and 34 districts have applied for preschool child care program grants. Each of these districts may have one or more programs. For instance, Lee's Summit has fifteen programs. It should also be noted, the department is not aware of the number of privately funded programs; nor is it aware of the number of programs not applying for child care program grants. Therefore, the department cannot provide objective information regarding the number of existing programs.

The cost to the department to ensure compliance with Chapter 210 is unknown; however, costs will likely exceed \$100,000.

According to the **Department of Health**, more child care facilities would fall under the child care program of the DOH. The number of facilities that would be required to be inspected, licensed and monitored for compliance with child care licensing rules would be increased.

The Department of Elementary and Secondary Education has determined that there are a total of 594 child care facilities that provide care for preschool-age children during the day. These child care facilities are operated on elementary or secondary public school property. They do not include child care programs providing before and after school-age child care. 129 of these facilities have been licensed by the DOH as a result of the provisions of HB 1519 that was passed in 1998. The remaining 465 facilities ($594 - 129 = 465$) are exempt from licensure as defined by section 210.201(2) RSMo. There may be a small number of these facilities that have voluntarily applied for licensure, however, the DOH does not believe that it is a significant number. Therefore, if this legislation were to pass an additional 465 child care facilities would have to be inspected, licensed, and monitored for compliance with Missouri statutes and the DOH licensing rules.

There are 68 Child Care Facility Specialists who inspect, license, and monitor 4,680 child care facilities. The average caseload size of a Child Care Facility Specialist is sixty-nine (69) facilities per staff person ($4,680/68=69$). The National Association for the Education of Young Children (NAEYC) states: "NAEYC believes that, on the average, regulators caseloads should be no more than 75 centers and large family child care homes or the equivalent; NAEYC recommends 50 as a more desirable number". As it would be necessary to inspect, license and monitor an additional 465 child care facilities, six (6) Child Care Facility Specialist II's (CCFS II) would be required by the DOH. In addition, two (2) Clerk Typist II's would be required as support staff for the CCFS II's.

The CCFS II's would inspect, license and monitor 465 additional child care facilities for compliance with state statutes and licensing rules. This includes the following responsibilities: receive Inquiries from potential licensees and provide pre-application consultation on program

ASSUMPTION (continued)

development, the licensing rules, and the licensing process; Investigate to determine compliance with state statutes and licensing rules and recommend license issuance or denial; Inspect the facility every six months to ensure ongoing compliance with statutes and rules; Offer technical assistance and consultation to correct non-compliances; and, Investigate, prepare cases and recommend negative actions against licenses. This may include denial, suspension, revocation or other legal action to ensure the health and safety of the children; and monitor legal actions taken against licenses. This may include settlement agreement letters, letters of censure, letters of warning, probation of the license or other legal actions taken, and receive & investigate complaints on regulated child care facilities.

Senate Amendment One - Hunter Education Programs

Officials from the **Department of Conservation** indicated this portion of the proposal would have fiscal impact on their agency.

Senate Amendment Two - After School and Summer Programs for At-Risk Students

Officials from the **Department of Elementary and Secondary (DESE)**, in response to Senate Amendment Two, regarding the after school and summer programs for at-risk students, assumed the proposal would allow the districts to establish the at risk committees at the discretion of the district. Resources existing within the district would be used to support the committee; therefore, the fiscal impact would be insignificant at the local level.

Senate Amendment Three - 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

ASSUMPTION (continued)

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.

Senate Amendment Four - Participation in MOREnet consortium

Officials from the **Department of Elementary and Secondary Education** indicate this proposal likely pose costs to private educational institutions should they choose to participate in the MOREnet consortium.

Officials from the **University of Missouri** indicated this proposal would have no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Cost-Secretary of State's Office (SOS)</u>			
Personal Service (.5 FTE)	(\$15,688)	(\$19,296)	(\$19,778)
Fringe Benefits	(\$5,229)	(\$6,431)	(\$6,592)
Expense and Equipment	<u>(\$3,352)</u>	<u>(\$300)</u>	<u>(\$300)</u>
<u>TOTAL COST - SOS</u>	<u>(\$24,269)</u>	<u>(\$26,027)</u>	<u>(\$26,670)</u>
<u>Cost - Department of Elementary and Secondary Education (DESE)</u>			
Personal Services (1 FTE)	(\$40,651)	(\$50,021)	(\$51,272)
Fringe Benefits	(\$12,500)	(\$15,381)	(\$15,766)
Expense and Equipment	<u>(\$7,497)</u>	<u>(\$824)</u>	<u>(\$848)</u>
<u>Total Administrative Costs to DESE</u>	<u>(\$60,648)</u>	<u>(\$66,226)</u>	<u>(\$67,886)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Cost - DESE</u>			
Grants (Math Program)*	(Unknown)	(Unknown)	(Unknown)
* Expected to exceed \$100,000 annually			
<u>Cost - Department of Elementary and Secondary Education (DESE)</u>			
Student Participants in MESA	(\$50,000)	(\$51,500)	(\$53,045)
In-Service Science Teachers	(\$50,000)	(\$51,500)	(\$53,045)
Child Care License Compliance	(\$100,000 to <u>Unknown</u>)	(\$100,000 to <u>Unknown</u>)	(\$100,000 to <u>Unknown</u>)
<u>TOTAL COST - DESE</u>	<u>(\$260,648 to Unknown)</u>	<u>(\$269,266 to Unknown)</u>	<u>(\$273,976 to Unknown)</u>
<u>Cost - University of Missouri - Rolla (UMR)</u>			
MESA	(\$270,000)	(\$278,100)	(\$286,443)
Science Summer Program	(\$330,000)	(\$339,900)	(\$350,097)
<u>TOTAL COST - UMR</u>	<u>(\$600,000)</u>	<u>(\$618,000)</u>	<u>(\$636,540)</u>
<u>Cost - Department of Health (DOH)</u>			
Personal Service (8 FTE)	(\$181,760)	(\$221,654)	(\$231,390)
Fringe Benefits	(\$60,581)	(\$73,877)	(\$77,122)
Equipment and Expense	(\$121,007)	(\$96,985)	(\$99,894)
<u>TOTAL COST - DOH</u>	<u>(\$363,348)</u>	<u>(\$392,516)</u>	<u>(\$408,406)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$1,248,265 to Unknown)</u>	<u>(\$1,305,809 to Unknown)</u>	<u>(\$1,345,592 to Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
SCHOOL DISTRICTS			
<u>Income - School Districts</u>			
Grants from DESE (Math Program)	Unknown	Unknown	Unknown

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Cost - School Districts</u>			
Grant Match	(Unknown)	(Unknown)	((Unknown)
Mastering Math Program	(Unknown)	(Unknown)	(Unknown)
<u>Cost-School Districts</u>			
Internet Access Filtering	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

PUBLIC LIBRARIES

<u>Cost-Public Libraries</u>			
Internet Access Filtering	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS*	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
*Estimated to exceed \$100,000 annually			

FISCAL IMPACT - Small Business

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

DESCRIPTION

SCS/SBs 42 & 108 - This legislation contains several provisions relating to public education.

INTERNET AT SCHOOL OR PUBLIC LIBRARIES - This legislation requires public schools that provide access to the Internet to either use filtering software, or to purchase Internet service through a provider that filters the material that can be accessed. A public library may either use filtering software or otherwise restrict minors' access to the Internet by local rule.

Any school official who neglects or refuses to comply with these legal duties shall be subject to the same criminal penalty provided in Section 162.091 (a misdemeanor, punishable by a fine not more than \$500 or up to one year in jail). Any public school employee or public library employee or Internet service provider who complies with the law shall not be liable if a minor gains access to pornographic material through the use of the school's computer.

This portion is similar to SCS/SB 42 (2001).

MISSOURI ENGINEERING AND SCIENCE ACADEMY - This legislation establishes the

DESCRIPTION (Continued)

summer program that will be known as the Missouri Engineering and Science Academy for high school students with high ability and interest in math and science. The Academy curriculum will be developed by faculty of the University of Missouri - Rolla (UMR), and the program will be managed and funded through UMR.

The legislation also establishes a science summer program at UMR for in- service science teachers to enhance their understanding of the impact of natural resource development and land use changes in Missouri. The proposal specifies program goals. The program will be taught, managed and funded by UMR. Participation in the program can be included in a teacher's Career Ladder development plan, if approved by the school board.

This portion is similar to SB 108 (2001).

PROGRAMS PROVIDING CHILD CARE - This proposal exempts child care programs being held on elementary and secondary public school property from complying with the safety, health and fire provisions of Chapter 210, RSMo; however, the programs would comply with health, safety, and fire provisions required for school districts.

This legislation is not federally mandated, would not duplicate any other program (although many libraries and school districts already have policies in place to ensure minors do not access certain materials and most search engines offer on-site filtering) and would not require additional capital improvements or rental space.

SENATE AMENDMENT ONE - Allows a school board to adopt a policy to allow employees of the Department of Conservation to conduct hunter education classes on school grounds, not during school hours, and to allow such employees to carry a weapon on school property for such classes, so long as the firearm is unloaded.

SENATE AMENDMENT TWO - Allows urban school districts to create a committee to work with teachers and organized parental groups to provide youth-at-risk after school and summer programs. The curriculum may be developed by accredited teachers, parental groups and the committee. The committee may accept funds from any source for these programs.

SENATE AMENDMENT THREE - Creates the "Mastering Math Program". Beginning July 1, 2001, The Department of Elementary and Secondary Education shall provide matching grants to assist public school districts in interpretation of algebraic and pre-algebraic concepts throughout the district's elementary school, middle school and junior high school curriculum. 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.

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DESCRIPTION (Continued)

SENATE AMENDMENT FOUR - Allows private educational institutions to participate in the MOREnet consortium provided such institutions reimburse MOREnet for costs incurred for participation and comply with all general operational guidelines.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of the Secretary of State
Missouri River Regional Library
Daniel Boone Regional Library
University of Missouri
Office of State Courts Administrator
Department of Health
Coordinating Board for Higher Education
Department of Conservation



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