

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0146-04
Bill No.: SCS for HB 320
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
 Dept
Type: Original
Date: May 9, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(Up to \$2,559,443)	(Up to \$2,569,083)	(Up to \$2,570,893)
Total Estimated Net Effect on General Revenue Fund*	(Up to \$2,559,443)	(Up to \$2,569,083)	(Up to \$2,570,893)

***Subject to Appropriation**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
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 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government*	Up to \$2,500,000	Up to \$2,500,000	Up to \$2,500,000

***Subject to Appropriation**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as 7 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 \$419 for FY 2006. 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of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.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 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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

SECTION 162.081

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this section of the proposed legislation will have no fiscal impact on their agency or on school districts.

ASSUMPTION (continued)

SECTION 167.229

In response to a proposal containing identical language (HCS/SS/SCS/SB 287), officials from the **Department of Health and Senior Services (DOHSS)** state there will be no fiscal impact on DOHSS since the Model School Wellness Program is assigned to DESE rather than DOHSS as in previous proposals.

Officials from DOHSS further state that in paragraph 167.229.1 the bill states: "The moneys appropriated shall be from the Child Nutrition and WIC Reauthorization federal grant money." DOHSS is the agency granted WIC funding by the federal government. The Child Nutrition and WIC Reauthorization Act (2004) combines funding for several federal programs that include Child and Adult Care Food Program, Commodity Distribution Program, Summer Food Service Program, National School Lunch and Breakfast Programs, Team Nutrition and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Specifically, WIC funding is targeted to pregnant women and children ages 0 to 5 years (not school-aged children) by USDA. Recent discussions with USDA officials indicate that Child Nutrition funding has not been earmarked for local wellness programs as contained in this proposal. **Oversight** assumes funding for this program will be subject to appropriations. _____

Officials from (**DESE**) would need three FTE for administration of the program and would contract for the services of an evaluator to do program evaluation. Funding would need to be appropriated for the funds that go to the school districts and to DESE for the additional personnel.

The fiscal calculations assume funds will be available for 40-50 contracts to schools to participate in this program. Additional staff would provide technical assistance, consultation and contract monitoring to the schools; develop the selection criterion and methods for distribution of districts applying for the funds; manage the day-to-day financial and program issues, ensuring participants receive their funds in a timely manner; and, provide clerical support to program staff. A contract for an evaluator for the program would require a similar workload of a public health epidemiologist at .25 FTE ($\$57,060 \times \frac{1}{4} = \$14,625$ annually).

It is unknown how much funding would be required for contracts. Assuming \$50,000 per contract, the cost could range \$2-2.5 million for program costs.

Oversight assumes, based on the size of the grant program, one FTE would be adequate to administer this program. Also, for fiscal note purposes only, **Oversight** has not included costs

for travel.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Cost - DESE - Model School Wellness Program (Section 167.229)</u>	(Up to \$2,500,000)	(Up to \$2,500,000)	(Up to \$2,500,000)
<u>Cost - DESE - Costs to administer Model School Wellness Program</u>			
Personal Costs	(\$29,896)	(\$36,772)	(\$37,691)
Fringe Benefits	(\$12,754)	(\$15,687)	(\$16,079)
Expenses	(\$4,906)	(\$1,931)	(\$1,989)
Contract for Evaluator	(\$11,887)	(\$14,693)	(\$15,134)
TOTAL Administrative Costs (Section 167.229)	<u>(\$59,443)</u>	<u>(\$69,083)</u>	<u>\$70,893</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE*	<u>(Up to \$2,559,443)</u>	<u>(Up to \$2,569,083)</u>	<u>(Up to \$2,570,893)</u>
*Subject to Appropriation			

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
SCHOOL DISTRICTS			
<u>Income - Grants from School Wellness Program</u>	Up to \$2,500,000	Up to \$2,500,000	Up to \$2,500,000
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS*	<u>Up to \$2,500,000</u>	<u>Up to \$2,500,000</u>	<u>Up to \$2,500,000</u>
*Subject to Appropriation			

FISCAL IMPACT - Small Business

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

DESCRIPTION

SECTION 162.081

This proposed legislation creates a mechanism to prevent a school district from moving back and forth between unaccredited and provisionally accredited status. If a school district that has been classified as unaccredited within the past five years and has become provisionally accredited should lose its provisional accreditation, it will lapse on June 30 or at a later date determined by the State Board of Education.

Changes are also made to the required hearing on the plans for continuing the educational process after lapse, which must be held at least 60 days before the district lapses. A special administrative board, which may be appointed by the state board to monitor an unaccredited district, is also given standing to enjoin school board actions that might result in wastage of assets. The state board is given the option of permitting a lapsed district to continue to operate under its existing governance structure pursuant to terms and conditions the board establishes. A prohibition on attaching a lapsed district with more than 5,000 pupils to another district without the approval of the board of the receiving school district is removed.

SECTION 167.229

Establishes the Model School Wellness Program, administered by the Department of Elementary and Secondary Education, to create pilot programs in school districts encouraging students to avoid tobacco use, balance their diets, get regular exercise, and become familiar with chronic medical conditions resulting from being overweight. School districts receiving the grants will establish programs that address academic success and encourage links between school and home.

The tobacco prevention initiative will focus on fourth and fifth grades, while the obesity prevention element will cover kindergarten through fifth grade. The proposal requires hands-on professional development and an evaluation after the 2005-2006 school year that will include changes in body mass index and measurement of changing behaviors related to nutrition, physical activity, and tobacco use.

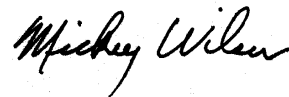
The provisions of the proposal will expire six years from the effective date, unless reauthorized by the general assembly.

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

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Health and Senior Services
Office of Secretary of State
Administrative Rules Division



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