

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0486-01  
Bill No.: HB 76  
Subject: Education, Elementary and Secondary  
Type: Original  
Date: February 23, 2009

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Bill Summary: Changes the laws regarding the identification, assessment, and education of children with autism spectrum disorder.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
General Revenue	(\$194,379,796 Up to \$201,048,430 or Unknown)	(\$175,118,239 Up to \$181,930,826 or Unknown)	(\$175,120,917 Up to \$181,972,884 or Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$194,379,796 Up to \$201,048,430 or Unknown)</b>	<b>(\$175,118,239 Up to \$181,930,826 or Unknown)</b>	<b>(\$175,120,917 Up to \$181,972,884 or Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Missouri Special Needs Identification and Education Program	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Offsetting Transfers In and Disbursements to educators

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 13 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	1.5 to 4 FTE	1.5 to 4 FTE	1.5 to 4 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1.5 to 4 FTE</b>	<b>1.5 to 4 FTE</b>	<b>1.5 to 4 FTE</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>(Unknown - Could Exceed \$100,000)</b>	<b>(Unknown -Could Exceed \$100,000)</b>	<b>(Unknown -Could Exceed \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of State Treasurer, Missouri Senate, Missouri House of Representatives, Office of the Governor, Department of Insurance, Financial Institutions and Professional Registration, Department of Higher Education, Department of Social Services** and the **Department of Health and Senior Services** state this proposal will have no fiscal impact on their respective agencies.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposed legislation. 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.

**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.

According to officials from the **Office of Administration - Division of Budget and Planning (BAP)**, the proposed legislation should not result in additional costs or savings to their division. BAP defers to the Department of Elementary and Secondary Education on the impact of the program/policy directives outlined in this proposed legislation.

Officials from the **Department of Elementary and Secondary Education (DESE)** state that in FY 2009, there were 5,316 children (ages 3-21) in Missouri identified with autism/autism spectrum disorder (ASD) as the primary disability out of approximately 138,000 children identified as having a disability.

### §162.700.6

DESE assumes the need for a First Steps provider in a school age program could contribute to increasing state costs of the Early Childhood Special Education (ECSE).

### §162.943

This section requires DESE to provide a comprehensive, easy-to-understand guide to the

ASSUMPTION (continued)

individualized education plan process to help parents effectively participate in admission, review, and dismissal committee meetings. DESE assumes the annual cost to publish, store, and distribute the additional document for 138,000 students at a cost of \$5.00 per student is \$690,000.

**Oversight** assumes the language in this section is similar to that in SB 175 (FN 0939-02) from this session. Estimated cost for 150,000 copies of a “Parents’ Bill of Rights” document was \$138,850 which included translation into 22 languages which does not appear to be a requirement in this proposal. **Oversight** assumes material, printing, and distribution costs to be approximately \$ .21 per copy for a total cost of \$28,980 per year, based on costs outlined in SB 175.

§178.692.1

Officials from DESE state the ombudsman position outlined in this section would require 1 FTE supervisor and .5 FTE administrative assistant.

**Oversight** has, for fiscal note purposes only, adjusted the salary and benefits of the supervisor and the administrative assistant to correspond with the range for starting salaries posted by DESE for similar positions. **Oversight** assumes the .5 FTE administrative assistant required by DESE for this section would be combined with the .5 FTE administrative assistant which may be needed to administer the tax credits outlined in §178.696.1 for a total of 1 FTE administrative assistant. For fiscal note purposes only, the equipment and expenses for 1 FTE administrative assistant will be shown in this section of the proposal.

§178.692.3

DESE makes the following assumptions regarding autism specialists at Regional Professional Development Centers:

- One Autism consultant per RPDC region;
- An autism consultant would not participate in IEP meetings;
- Salary and expense and equipment including extensive travel is \$125,000 annually per position;
- A relatively stable autism child count exists from FY 2007 forward due to improved diagnostic capability in the medical field;
- A single FTE per region can perform all necessary training /evaluation /consultation for program modification duties; and,

**ASSUMPTION** (continued)

- There is a 3% per year increase in costs.

<b>RPDC Region</b>	<b>2008 Autism Child Count</b>	<b>Autism Consultants</b>	<b>Potential Cost of Position</b>
Region 1 - Southeast, Cape Girardeau	255	1	\$125,000
Region 2 - Heart of Missouri, Columbia	445	1	\$125,000
Region 3 - Kansas City	957	1	\$125,000
Region 4 - Northwest/Truman State, Kirksville	83	1	\$125,000
Region 5 - Northwest, Maryville	135	1	\$125,000
Region 6 - South Central, Rolla	263	1	\$125,000
Region 7 - Southwest, Springfield	514	1	\$125,000
Region 8 - St Louis	2,286	1	\$125,000
Region 9 - Central, Warrensburg	285	1	\$125,000
State Schools for the Severely Handicapped	93		\$125,000
<b>TOTALS</b>	<b>5,316</b>	<b>9</b>	<b>\$1,125,000</b>
FY 2010 Cost			\$1,158,750
FY 2011 Cost			\$1,193,513
FY 2012 Cost			\$1,229,318

**Oversight** assumes that regional centers that have an existing Special Education Consultant on staff may be able to identify that person as an autism specialist without additional staffing.

**Oversight** will range the costs associated with this section as (Up to) the cost identified by DESE.

ASSUMPTION (continued)

§178.692.4

DESE estimated the costs to implement Regional Early Childhood Centers serving a consortium of public school districts as follows:

Start-up costs of an early childhood center serving a consortium would be similar to the start-up costs of special education co-ops. DESE assumes \$100,000 per center given that the school districts within the consortium pick up the on-going costs of operation after establishment of the center.

An early childhood center consortium would consist of 10 school districts. With 524 school districts, this would require 53 new EC centers.  $53 \times \$100,000$  per center = \$5,300,000.

**Oversight** assumes that 53 centers would not be established initially. The proposal states priority areas where centers would be established first. For fiscal note purposes, the range of cost for this section will be ranged from (\$0 Up to \$5,300,000) to General Revenue and (Unknown - Could Exceed \$100,000) to school districts for ongoing costs of operation..

§178.696.1

DESE assumes the cost to educate, train, and provide services for public school educators to identify, assess, and provide interventions including the cost of materials, speakers, transportation, meals, participant per diem as follows: 81,043 educator (teacher/aides) and 4,568 (nurses, counselors, and PAT's)  $\times$  \$225 average cost per position = \$19,262,475. In addition, the cost to education children with special needs, based upon the historical state cost to educate children as defined in §162.675, RSMo, the annual cost of this new section is approximately \$175 million.

Officials from the **Office of Administration - Division of Budget and Planning** state that this proposal creates a tax credit for expenses incurred by teachers for education and training in the identification and treatment of children with special needs, including autism spectrum disorder. There is no cap on this tax credit program. Educators would be allowed to claim a dollar for dollar tax credit. Tax credits may not exceed a taxpayers tax liability but may be carried forward for three subsequent years. This proposal will reduce general and total state revenues by an unknown amount.

Officials from the **Department of Revenue** state they would need one Revenue Processing

Technician I for every 6,000 credits claimed.

ASSUMPTION (continued)

**Oversight** has, for fiscal note purposes only, changed the starting salary for the Revenue Processing Technician I to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research. **Oversight** also assumes floor space could be located within existing resources.

**Oversight** assumes the tax credit program will only be utilized in the event that sufficient funds are not available in the Missouri Special Needs Identification and Education Program categorical fund. **Oversight** also assumes that tax returns utilizing the new credit would not be filed with the Department of Revenue until January, 2010; therefore, Oversight will estimate the cost of the additional FTE for DOR for only six months in FY 2010 and for a full year starting in FY 2011. Oversight is unsure if enough credits will be filed with tax returns to warrant the additional FTE for DOR. **Oversight** will range the cost of the DOR FTE from \$0 to the estimated cost.

The **Office of Administration Information Technology (ITSD DOR)** estimates that this legislation could be implemented utilizing 1 existing CIT III for 2 months at a rate of \$4,441/mo for a total cost of \$8,882. ITSD DOR estimates the IT portion of this request can be accomplished within existing resources; however, if priorities shift, additional FTE/overtime would be needed to implement.

DESE assumes this proposal creates a new tax credit for public school educators. DESE is responsible for administering this section; therefore, it is assumed that the department must track, monitor, and apply the tax credit on an on-going basis. If DESE is required to provide this tax credit monitoring function, a minimum of 1.5 new FTE would be required (i.e. 1.0 FTE supervisor and .5 FTE administrative assistant).

**Oversight** assumes the tax credit program will only be utilized in the event that sufficient funds are not available in the Missouri Special Needs Identification and Education Program categorical fund. **Oversight** will range the cost of the DESE FTE from \$0 to the estimated cost.

§633.205

Officials from the **Department of Higher Education** state the Commissioner of Higher Education serves on the Missouri Commission on Autism Spectrum Disorders established in §633.200, but is not a member of the Missouri Autism Spectrum Disorder Commission this proposal would create.

ASSUMPTION (continued)

Officials from the **Department of Mental Health** state the Missouri Autism Spectrum Disorder Commission was established during the last legislative session by SB 768 (FN 3524-08). This proposal differs from that legislation by requiring a ten-year strategic plan. Also, the membership of the Commission differs in this proposal. The cost to implement these changes (primarily the ten-year strategic plan) are unknown but not expected to exceed \$100,000 in cost.

Officials from the **St Charles School District** assumed there would be minimal fiscal impact on public school districts.

Officials from the **Special School District of St Louis County (SSD)** assume this proposal may reduce the special education costs of SSD as it would place 5 year olds under Early Childhood Special Education which is fully funded by the state and federal governments. Other changes would increase costs at the state level for training of teachers.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Department of Elementary and Secondary Education - Additional Early Childhood Special Education (\$162,700.6)	(Unknown - Could Exceed \$100,000)	(Unknown - Could Exceed \$100,000)	(Unknown - Could Exceed \$100,000)
<u>Cost</u> - Department of Elementary and Secondary Education - Parents Rights document (\$162,943)			
Printing/Distribution	(\$28,980)	(\$28,980)	(\$28,980)
Cost - DESE - Ombudsman (\$178,692.1)			
Personal Services (1.5 FTE)	(\$44,671)	(\$55,213)	(\$56,870)
Fringe Benefits	(\$21,724)	(\$26,850)	(\$27,656)
Equipment and Expense	<u>(\$21,946)</u>	<u>(\$7,196)</u>	<u>(\$7,411)</u>
Total Administrative Costs	(\$88,341)	(\$89,259)	(\$91,937)



<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE (continued)</b>			
<u>Cost - DESE - Autism specialists at regional centers (§178.692.3)</u>	(Up to \$1,158,750)	(Up to \$1,193,513)	(Up to \$1,229,318)
<u>Cost - DESE - Early Childhood centers (§178.692.4)</u>	(\$0 Up to \$5,300,000)	(\$0 Up to \$5,300,000)	(\$0 Up to \$5,300,000)
<u>Cost - DESE - Education of children with special needs (§178.696.01)</u>	(\$175,000,000)	(\$175,000,000)	(\$175,000,000)
<u>Cost - DESE - Education, training, and services to educators (§178.696.01)</u>	(\$19,262,475)	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)
<u>Cost - DESE - Tax Credit Administration (§178.696.01)</u>			
Personal Services (1.5 FTE)	\$0 to (\$44,671)	\$0 to (\$55,213)	\$0 to (\$56,870)
Fringe Benefits	\$0 to (\$21,724)	\$0 to (\$26,850)	\$0 to (\$27,656)
Equipment and Expense	<u>\$0 to (\$9,098)</u>	<u>\$0 to (\$1,280)</u>	<u>\$0 to (\$1,319)</u>
Total Administrative Costs	\$0 to (\$75,493)	\$0 to (\$83,343)	\$0 to (\$85,845)
FTE Change - DESE	1.5 to 3 FTE	1.5 to 3 FTE	1.5 to 3 FTE
<u>Cost - Department of Revenue - Tax Credit Processing (§178.696)</u>			
Personal Services (1 FTE)	\$0 to (\$11,501)	\$0 to (\$23,692)	\$0 to (\$24,403)
Fringe Benefits	\$0 to (\$5,593)	\$0 to (\$11,521)	\$0 to (\$11,867)
Equipment and Expense	<u>\$0 to (\$5,625)</u>	<u>\$0 to (\$518)</u>	<u>\$0 to (\$534)</u>
Total Administrative Costs	\$0 to (\$34,281)	\$0 to (\$35,731)	\$0 to (\$36,804)
FTE Change - Department of Revenue	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE

**FISCAL IMPACT - State Government**

FY 2010  
(10 Mo.)

FY 2011

FY 2012

**GENERAL REVENUE (continued)**

Cost - Department of Mental Health -  
 Administrative Costs (\$633.205)

(Unknown - Not  
 Expected to  
 Exceed  
 \$100,000)

(Unknown - Not  
 Expected to  
 Exceed  
 \$100,000)

(Unknown - Not  
 Expected to  
 Exceed  
 \$100,000)

Loss - Tax credit for participants of  
 special education training programs  
 (\$178.696.1)

\$0 or  
(Unknown)

\$0 or  
(Unknown)

\$0 or  
(Unknown)

**ESTIMATED NET EFFECT ON  
 GENERAL REVENUE**

(\$194,379,796  
Up to  
\$201,048,430 or  
Unknown)

(\$175,118,239  
Up to  
\$181,930,826  
or Unknown)

(\$175,120,917  
Up to  
\$181,972,884 or  
Unknown)

Estimated Net FTE Change for General  
 Revenue

1.5 to 4 FTE

1.5 to 4 FTE

1.5 to 4 FTE

FISCAL IMPACT - State Government

FY 2010  
(10 Mo.)

FY 2011

FY 2012

**MISSOURI SPECIAL NEEDS  
 IDENTIFICATION AND  
 EDUCATION PROGRAM**

Transfer In - Costs of education, training,  
 and services to educators (§178.696.01)

Up to  
 \$19,262,475

Unknown -  
 Expected to  
 Exceed  
 \$100,000

Unknown -  
 Expected to  
 Exceed  
 \$100,000

Disbursements - Educators - Costs of  
 education, training, and services

(Up to  
\$19,262,475)

(Unknown -  
 Expected to  
 Exceed  
\$100,000)

(Unknown -  
 Expected to  
 Exceed  
\$100,000)

**ESTIMATED NET EFFECT ON  
 MISSOURI SPECIAL NEEDS  
 IDENTIFICATION AND  
 EDUCATION PROGRAM**

**\$0**

**\$0**

**\$0**

FISCAL IMPACT - Local Government

FY 2010  
(10 Mo.)

FY 2011

FY 2012

**LOCAL POLITICAL SUBDIVISIONS**

\$0

\$0

\$0

Cost - School Districts - Ongoing costs of  
 operation of Early Childhood centers  
 (§178.692.4)

(Unknown -  
 Expected to  
 Exceed  
\$100,000)

(Unknown -  
 Expected to  
 Exceed  
\$100,000)

(Unknown -  
 Expected to  
 Exceed  
\$100,000)

**ESTIMATED NET EFFECT ON  
 LOCAL POLITICAL SUBDIVISIONS**

**(Unknown -  
 Could Exceed  
 \$100,000)**

**(Unknown -  
 Could Exceed  
 \$100,000)**

**(Unknown -  
 Could Exceed  
 \$100,000)**

### FISCAL IMPACT - Small Business

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

### FISCAL DESCRIPTION

This proposed legislation changes the laws regarding the identification, assessment, and education of children with autism spectrum disorder. Among the provisions, the proposal:

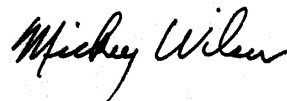
- (1) Requires the state to provide early intervention services to children with autism under Part C of the federal Individuals with Disabilities Act, commonly known as the First Steps Program (§162.700.6);
- (2) Requires the Department of Elementary and Secondary Education to provide a comprehensive, easy-to-understand guide to the individualized education plan process to help parents effectively participate in admission, review, and dismissal committee meetings. A notice about the availability of the guide must also be included in student handbooks and on school web sites (§162.943);
- (3) Requires the department to appoint an autism ombudsman and to develop best practice guidelines for the assessment and evaluation of handicapped children from three to five years of age. Regional professional development centers must have an autism specialist available. Early childhood centers will be created, subject to appropriations, giving priority to regions where there is significant need and limited resources. Children who are receiving early childhood services on or after August 1, 2011, will be monitored for educational outcomes until they complete third grade (§178.692.1);
- (4) Creates categorical funding for special needs identification and education and authorizes a tax credit for unreimbursed training expenses that exceed the categorical funding. All instructional employees from kindergarten to second grade and parent educators for the Parents as Teachers Program must be trained in autism early detection by July 1, 2013. Instructional personnel for the remaining grades, nurses, and counselors must complete training by July 1, 2015 (§178.696.1); and
- (5) Establishes the Autism Spectrum Disorder Commission in the Department of Mental Health which must prepare a 10-year strategic plan by December 1, 2010, to address the growing number of persons who need services for autism spectrum disorder and submit it to the General Assembly for its review and consideration (§633.205).

This legislation is not federally mandated and would not require additional capital improvements  
FISCAL DESCRIPTION (continued)

or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Department of Revenue  
Department of Health and Senior Services  
Department of Mental Health  
Department of Social Services  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Higher Education  
Office of Secretary of State  
    Administrative Rules Division  
Office of the Governor  
Missouri House of Representatives  
Missouri Senate  
Office of State Treasurer  
School Districts  
    St Charles  
    Special School District of St Louis County



Mickey Wilson, CPA  
Director  
February 23, 2009