



Date: April 17, 2013

To: Representative Ann Lenczewski
Representative Greg Davids
Representative Lyndon Carlson Sr.
Representative Mary Liz Holberg
Representative Paul Marquart
Representative Kelby Woodard

Senator Rod Skoe
Senator Julianne Ortman
Senator Richard J. Cohen
Senator Michelle Fischbach
Senator Charles Wiger
Senator Sean Nienow

From: Margaret Kelly, State Budget Director 

Subject: Local Impact Note for SF 783 (Dibble): Safe & Supportive Schools Act

On March 7, 2013, Minnesota Management and Budget received a request to prepare a local impact note SF 783 (Dibble): Safe & Supportive Schools Act. We have completed our analysis and a copy of the note is attached.

Local impact notes are similar to the fiscal notes that you are familiar with, but they focus on the fiscal impact of proposed legislation on local governments rather than the State. This process is described in Minnesota Statutes 3.987 and 3.988. This statute requires Minnesota Management and Budget to gather and analyze information on local costs of legislation when requested by the chair or ranking minority member of the House and Senate Tax committees, the Senate Finance committee and the House Ways and Means committee.

To estimate the statewide local government impact of the changes included in SF 783, MMB consulted with the MN Association of School Business Officials, MN Rural Education Association, MN School Boards Association, and Association of Metropolitan School Districts to develop estimates regarding the cost to local school districts that would be required under SF 783. Using these data and assumptions to project future costs, an estimated statewide increased cost to local school districts of \$25,812,864 in FY 2014 was calculated.

If you or your staff has any questions about the local note process feel free to contact Executive Budget Officers Kristy Swanson (651) 201-8082 or Liz Connor (651) 201-8041.

cc: Senator D. Scott Dibble
Legislative staff (electronic)

April 17, 2013

SF 783 (Dibble):

Safe & Supportive Schools Act

Local Fiscal Impact

Net Expenditure/Revenue Change

Dollars in Thousands, State Fiscal Years

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Statewide Impact	\$25,813	\$26,000	\$26,117	\$26,212

Explanation of the Bill

SF 783 proposes to implement the recommendations from Governor Dayton’s 2012 task force on school bullying prevention, which was intended to develop strategies to eliminate incidences of bullying, harassment, and intimidation in Minnesota’s schools.

Local Impact Analysis Methodology

To estimate the statewide local government impact of the changes included in SF 783, MMB:

- Contacted a variety of local school associations including MN Association of School Business Officials, MN Rural Education Association, MN School Boards Association, Association of Metropolitan School Districts, and MN Association of Charter Schools.
- Collaborated with the MN Association of School Business Officials (MASBO) to send out a survey to members (some of the associations contacted by MMB noted overlapping memberships and deferred to MASBO’s survey).
- Collaborated with the MN Rural Education Association to send out a survey to members.

Local Impact Analysis of SF 783:

For the purposes of estimating fiscal impact to local districts, MMB looked only at provisions in SF 783 that would be required by law – specifically, implementation of the Safe & Supportive Schools Act. SF 783 permits districts to use an anti-bullying policy (policy) developed by the state and does not require local districts to develop their own, which would allow districts to avoid the cost of developing their own anti-bullying policy. For that reason, costs associated with optional elements of SF 783, such as a district electing to develop its own policy or providing anti-bullying training for health professionals, are not included in the estimates that follow.

MMB identified the following provisions in SF 783 as potentially impacting local districts, and asked MASBO and MREA to survey their members to estimate associated costs:

- Post policy within school, online, with state in accessible formats.
- Include policy in employee/volunteer manuals.
- Discuss policy with students, parents, staff, volunteers.

- Provide training on policy to staff and volunteers.
- Offer remedial responses to bullying incidents.
- Designate staff in each building to have primary responsibility over bullying; receive formal complaints and oversee responses and consequences.
- Require intervention by adults when bullying is seen.
- Investigate complaints.
- Respond to complaints. Notify parents.
- Report incidents of bullying to the state.
- Provide professional development to staff on how to best deal with bullying.
- Modifications to Individualized Education Program.
- Adoption of Internet policies to prevent bullying.

Fiscal Estimates of SF 783:

A total of 45 survey responses were received by MASBO and 12 responses were received by MREA. However, several of the responses had incomplete data (such as no cost estimations). The nature of the response data necessitated that MMB take a general approach to estimating impact to local districts, rather than estimating per pupil cost based on size or category of district. Rural districts were overrepresented in the survey responses (42 out of the total 57). Since different categories of districts were not equally represented, the variation among categories with fewer responses (such as the 3 metro districts that provided cost estimates) would have resulted in less precise cost estimates for that particular category. Therefore, MMB had to rely on a single per pupil cost across districts of all sizes and types in order to calculate a statewide fiscal impact. The actual cost that a school district would incur for each of the provisions listed below may vary significantly. Keeping in mind the fact that these costs fall within a wide range, the table below summarizes the average per pupil cost of the mandatory provisions of SF 783:

Fiscal Impacts	Average Cost/Pupil
Estimated annual cost to post policy within school, online, with state in accessible formats, and include policy in employee/volunteer manuals.	\$0.65
Estimated annual cost to discuss policy with students, parents, staff, volunteers. Provide training on policy to staff and volunteers.	\$3.34
Estimated annual cost to designate staff in each building to have primary responsibility over bullying, receive formal complaints, and oversee responses and consequences.	\$14.71
Estimated cost (per incident) to require intervention by adults when bullying is seen. Investigate complaints. Respond to complaints and notify parents. Report incidents (number, type, etc.) to the state.	\$2.18
Estimated annual cost to provide professional development to staff on how to best deal with bullying.	\$5.18
Estimated annual cost to make modifications to Individualized Education Program. Adopt Internet policies to prevent bullying.	\$4.74

Despite finding that average costs for local districts to comply with the mandatory provisions of SF 783 varied widely within types of districts and across all districts, MMB noted a relationship between size of district and per pupil cost. Smaller rural districts reported that they would be less able to absorb costs related to implementation of SF 783 per pupil (an average of \$38.97) than did larger rural districts (an average of \$26.82) or metro area districts (an average of \$15.46). Across all sizes and types, the average total cost to local districts to implement the required provisions of SF 783 was \$49,370 per district, or \$30.80 per pupil. To calculate a statewide impact, MMB multiplied the per pupil average of \$30.80 to the pupil units forecasted in February 2013:

Estimated Statewide Impact				
	FY2014	FY2015	FY2016	FY2017
Pupil Units	838,080	844,132	847,935	851,038
Total Cost	25,812,864	25,999,266	26,116,398	26,211,971

MMB also calculated a total statewide cost using the per district average of \$49,370. Applying this cost to the 332 Independent School Districts yields a statewide cost of \$16,390,840. This is shown in the table below:

Independent School Districts - Estimated Statewide Impact				
	FY2014	FY2015	FY2016	FY2016
Number of ISDs Statewide	332	332	332	332
Total Cost	16,390,840	16,390,840	16,390,840	16,390,840

Charter schools were not included in this calculation because their total costs would obviously differ. The \$16,390,840 estimate and the \$25,812,864 estimate represent a range of the potential costs for this legislation. MMB elected to use the estimate of \$25,812,864 on the front page of this local impact note as it was the only cost that represented all students in all types of districts throughout the state.