



May 1, 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	\$19,529	\$19,655	\$19,724	\$19,772

*Updated from April 17, 2013

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 Non-metro 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 Non-metro Education Association to send out a survey to members.
- Contacted 10% of survey respondents for follow up interviews to assess how possible differences in assumptions could impact school districts’ estimated costs.

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.

Discussion of Local Assumptions

It was noted that a number of the provisions impacting local school districts are required under current law in M.S. 121A (relating to a policy on sexual, religious, and racial harassment and violence), and therefore some costs reported by local districts in survey responses may reflect current costs rather than new costs required by the proposed legislation. MMB conducted follow up interviews with a sample of respondents to the survey to determine if the costs estimated for the “Estimated annual cost to post policy within school, online, with state in accessible formats, and include policy in employee/volunteer manuals” was indicative of current costs required by M.S. 121A.03, subd. 2 (which is repealed by SF 783), or was an estimate of new cost obligations as a result of SF 783. Interviews with those districts found that two respondents assumed those costs would be new, while one district said that “post policy” provision of the bill could be absorbed within the current expenditure amount provided in their survey response. MMB also conducted follow up interviews with three districts that reported no cost to comply with the “post policy” provision and learned that they have specific anti-bullying policies already in place that meet the “post policy” requirements of SF 783. Because five out of six respondents indicated that costs they reported with the “post policy” provision were not existing costs, MMB continued to carry those that reported estimates as a cost to SF 783.

Another provision in which MMB identified possible differences in assumptions among districts was “Estimated annual cost to designate staff in each building to have primary responsibility over bullying, receive formal complaints, and oversee responses and consequences”. In survey responses, MMB found a large range of reported cost estimates between non-metro and metro districts as well as among non-metro districts in the survey responses. All metro districts responding to the survey reported no cost to comply with this provision of SF 783, while non-metro districts on average reported a cost of \$16.72 per pupil. Within the category of non-metro districts, there was a range of costs as well, with one district reporting no cost to comply with the “designating staff” provision, while another district estimated the cost to be \$94.12 per pupil. MMB explored this variance in follow up interviews with a sample of non-metro respondents.

One district attributed their estimated cost to be the equivalent of a stipend for each designated staff member per building (similar to what the district would pay to an assistant coach of an extracurricular activity). Another district anticipated it would add one new Full Time Equivalent (FTE) administrative position to comply with the required provisions of SF 783 and to manage the district’s anti-bullying programming and staff training. A third district estimated it would support a 0.5 FTE that would divide

time between two school buildings. In both districts reporting additional FTEs, the superintendents stated they felt there was little ability to absorb the administrative responsibilities associated with SF 783.

MMB also contacted two metro districts that reported no cost to comply with the “designating staff” provision. Both districts currently employ FTEs that are responsible for anti-bullying programming, and have systems and personnel in place that would make them compliant with this provision. Based on these follow up interviews, it is likely that districts currently implementing comprehensive anti-bullying programs could therefore avoid this cost.

Due to the variation of responses from metro and non-metro districts and based on the follow up discussions with districts, MMB determined it would be best to split cost estimates based on metro and non-metro categories. After evaluation, MMB revised the statewide cost estimate utilizing different per pupil averages based on a geographic distribution of students rather than a single statewide per pupil cost. This method was intended to correct for the overrepresentation of non-metro districts in the sample (42 out of 57 respondents), which resulted in a higher statewide cost estimate as non-metro districts tended to report higher costs per pupil (\$32.90) than did metro districts (\$15.46).

Fiscal Estimates of SF 783

A total of 45 survey responses were received by MASBO and 12 responses were received by MREA. MMB noted that the actual costs a school district would incur for each of the provisions listed below may vary significantly. Keeping in mind the fact that the amounts fall within a range, the estimates listed in the calculations below summarize the average per pupil costs of the mandatory provisions of SF 783.

Metro Districts - Fiscal Impact	Average Cost/Pupil
Estimated Annual Cost to post policy within school, online, with state in accessible formats, and include policy in employee/volunteer manuals	\$0.39
Estimated Annual Cost to discuss policy with students, parents, staff, volunteers; Provide training on policy to staff and volunteers	\$0.25
Estimated Annual Cost to designate staff in each building to have primary responsibility over bullying - receive formal complaints and oversee responses and consequences	\$0.00
Estimated cost (per incident) to require intervention by adults when bullying is seen; Investigate complaints; respond to complaints. notify parents; report incidents, #, type, etc. to the state	\$0.03
Estimated Annual Cost to provide professional development to staff on how to best deal with bullying; provide training for health professionals.	\$5.83
Estimated Annual Cost to make modifications to Individualized Education Program; adoption of Internet policies to prevent bullying; create a safe school environment by engaging students	\$8.96

Non-metro Districts - Fiscal Impact	Average Cost/Pupil
Estimated Annual Cost to post policy within school, online, with state in accessible formats, and include policy in employee/volunteer manuals	\$0.68
Estimated Annual Cost to discuss policy with students, parents, staff, volunteers; Provide training on policy to staff and volunteers	\$3.77
Estimated Annual Cost to designate staff in each building to have primary responsibility over bullying - receive formal complaints and oversee responses and consequences	\$16.72
Estimated cost (per incident) to require intervention by adults when bullying is seen; Investigate complaints; respond to complaints. notify parents; report incidents, #, type, etc. to the state	\$2.47
Estimated Annual Cost to provide professional development to staff on how to best deal with bullying; provide training for health professionals.	\$5.09
Estimated Annual Cost to make modifications to Individualized Education Program; adoption of Internet policies to prevent bullying; create a safe school environment by engaging students	\$4.16

In each fiscal year, Average Daily Membership (ADM) is divided similarly between two categories of school districts: 55% metro, 45% non-metro. To obtain a statewide fiscal impact to local districts, MMB multiplied the average per pupil cost for the two categories (\$15.46 for metro and \$32.90 for non-metro) by the ADM forecasted for each category according to February 2013 estimates. Then the subtotals for each category were added together. The steps are shown below, and the result yields a statewide local fiscal impact of \$19,528,572 in fiscal year 2014.

Average Daily Membership (ADM) - February 2013 Forecast				
	FY2014	FY2015	FY2016	FY2017
Metro	461,253	465,470	468,693	471,779
Non-metro	376,827	378,662	379,242	379,258
Total	838,080	844,132	847,935	851,038

Estimated Metro Impact				
	FY2014	FY2015	FY2016	FY2017
Pupil Units	461,253	465,470	468,693	471,779
Total Cost	7,130,971	7,196,166	7,245,994	7,293,703

Estimated Non-metro Impact				
	FY2014	FY2015	FY2016	FY2017
Pupil Units	376,827	378,662	379,242	379,258
Total Cost	12,397,601	12,457,990	12,477,067	12,477,592

Estimated Statewide Impact				
	FY2014	FY2015	FY2016	FY2017
Metro	7,130,971	7,196,166	7,245,994	7,293,703
Non-metro	12,397,601	12,457,990	12,477,067	12,477,592
Total Cost	19,528,572	19,654,156	19,723,061	19,771,295

Limitations of Local Impact Note Analysis

While MMB is responsible for calculating a statewide local impact in local impact notes, it is important to remember that totals are estimates and as such, local impact notes are advisory in nature. In the case of SF 783, there are a number of factors that limit the precision of the total statewide local fiscal impact:

- Local districts have varying assumptions about absorbing costs associated with the administrative responsibilities laid out in a number of the provisions of the bill, such as designating staff to have primary responsibility over responses to bullying and to provide training on anti-bullying measures to staff.
- Districts across the state have taken up anti-bullying policies and programming at different levels. Some districts have comprehensive anti-bullying curricula and related staff, while others fulfill requirements in current law by maintaining an anti-bullying policy and enforcing state-mandated anti-violence and anti-harassment policies. Districts that have already invested more resources into developing policies, programs, training, and staff development would likely see a smaller cost associated with SF 783.
- MMB received a limited number of survey responses on which to base a statewide fiscal impact to local school districts.
- Based on the response data, it is difficult to determine which costs associated with SF 783 would be one-time and which costs would be ongoing. Some reported costs may be one-time in nature such as posting the policy in the school and online or providing training to staff and volunteers.