

SF3433 - 1E - "Pupil Transport Pregnant Parenting Teens"

Chief Author: **Rich Draheim**
 Committee: **E-12 Finance**
 Date Completed: **04/09/2018**
 Agency: **Education Department**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	915	1,109	
Total	-	-	-	915	1,109	
Biennial Total			-			2,024

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Amelia Cruver Date: 4/9/2018 11:54:32 AM
 Phone: 651 201-8047 Email: amelia.cruver@state.mn.us

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021	
General Fund	-	-	-	915	1,109	
Total	-	-	-	915	1,109	
Biennial Total			-		2,024	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	915	1,109	
Total	-	-	-	915	1,109	
Biennial Total			-		2,024	
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-		-	

Bill Description

Section 1, Subdivision 1 of this bill adds language related to the responsibility for providing instruction and transportation for a pupil without a disability to include a pregnant or parenting teen.

Section 1, Subdivision 8 of this bill allows districts to be reimbursed for transportation expenses related to transporting pregnant and parenting teens to programs that are (1) academic; (2) provide at least four hours per week of parenting instruction; and (3) have high quality, on-site childcare during the school day with the capacity to serve all children of enrolled students.

This bill is effective for fiscal year 2019 and later.

Assumptions

Responses to a survey of all state approved alternative programs found six that offer a program for pregnant and/or parenting teens and offer on-site child care. These programs serve about 253 students each year; some of which are enrolled for only part of the school year. Responding districts account for 23 percent of state total ADM, but those responding are more likely to offer a program than those not responding; therefore, it is assumed that the survey responses include roughly 1/3 of the state total number of students served.

A follow up survey of the six that responded affirmatively to the first survey found three programs that meet the updated criteria, one that doesn't currently provide four hours of parenting instruction but it could in order to qualify, and a fifth that meets the criteria but due to licensing restrictions there are times during the year when not all children of students can be served. These five districts represent 98 percent of the students from the original six districts.

Although Minnesota adolescent pregnancy statistics indicate a drop in teen pregnancies, not all pregnant teens or teen parents have access to educational programs. It is assumed that the number of students served in these programs would remain constant.

It is assumed that the resident district would provide the transportation for all of these students and their children served in the on-site childcare program.

It is assumed that education and transportation would be provided year-round because the state approved alternative

programs can provide instruction year-round and generate state aid. Therefore, even if some students are not enrolled all of the regular school year, they may be enrolled during the summer term. Therefore, it is assumed that each student would receive transportation for 85 school days or the equivalent of one semester.

It is assumed that districts will provide this specialized transportation on other than regular routes, using smaller type III vehicles. The children riding the bus with a parent will most likely be infants and these programs are not necessarily located at the high school. These vehicles will need to be fitted with regulation restraints.

The bill allows the transportation costs of pregnant teens, teen parents and their children to be coded to UFARS Finance 728 and to be used to calculate special education aid. The median average per student cost to transport students whose expenses are coded under special transportation FIN 728 in FY 2017 was \$3,587. Many of these students are transported in smaller vehicles and on special routes which are more expensive than traditional buses. Therefore, it is assumed that this rate would apply to these students and that the cost per student will increase annually by 7.2 percent (four-year average for special transportation from February forecast).

With an assumed school year of 170 days the daily cost is \$21.10. It is assumed that students would be enrolled in the program for half of the school year, 85 days. It is assumed the transportation of the students' children would pose no extra cost.

Special education aid will cover 100% of the added pupil transportation cost in the prior fiscal year for districts not affected by the hold harmless or the growth cap on the special education aid formula. For districts on the hold harmless or growth cap, there will be no added special education aid. It is assumed that 2/3 of the added cost will be in districts not affected by the hold harmless or growth cap.

It is assumed that the fiscal year 2019 effective date would make expenses incurred in FY 2019 eligible for aid in FY 2020 and that expenses incurred in fiscal year 2018 would not be eligible for aid in FY 2019.

Expenditure and/or Revenue Formula

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
A	Number of students			253	253	253
B	Average number of days transported		85	85	85	85
C	Est daily transportation cost per student	21.10	22.62	24.25	26.00	27.87
	Total cost			\$ 521,496	\$ 559,130	\$ 599,344
	Survey Respondents					
	To Calculate per district amt: (B x C x Dst Students per district)	Students				
1	Minneapolis	90	\$ 173,043	\$ 185,513	\$ 198,900	\$ 213,206
11	Anoka-Hennepin	25	\$ 48,068	\$ 51,531	\$ 55,250	\$ 59,224
181	Brainerd	24	\$ 46,145	\$ 49,470	\$ 53,040	\$ 56,855
287	Intermediate District 287	80	\$ 153,816	\$ 164,900	\$ 176,800	\$ 189,516
535	Rochester	30	\$ 57,681	\$ 61,838	\$ 66,300	\$ 71,069
659	Northfield	4	\$ 7,691	\$ 8,245	\$ 8,840	\$ 9,476
D	Subtotal, survey respondents	253	\$ 486,443	\$ 521,496	\$ 559,130	\$ 599,344
E	Adjustment factor - survey to state total		3	3	3	3
F	Adjusted total cost increase (D x E)		1,459,329	1,564,489	1,677,390	1,798,033
	Sp Ed aid entitlement - 1 year lag,				1,043,000	1,118,000

	Assuming 1/3 of costs are in districts at cap or hold harmless with no increase in aid and 2/3 receive aid = prior year cost increase (previous year F x (2/3))					
	current Approp @ 97.4% of 90%				915,000	981,000
	Final Approp					128,000
	Total Approp				915,000	1,109,000

Long-Term Fiscal Considerations

The costs would be ongoing.

Local Fiscal Impact

Districts not affected by the hold harmless or growth cap on the special education formula would be reimbursed for 100 percent of costs with a year lag. Districts affected by the hold harmless or growth cap would incur additional cost that would not be reimbursed.

References/Sources

Survey of state-approved alternative programs; UFARS; Transportation Report; University of Minnesota Department of Pediatrics.

Agency Contact: Sharon Peck 651-582-8811

Agency Fiscal Note Coordinator Signature: Judy Kuck

Phone: 651 582-1613

Date: 4/9/2018 11:19:14 AM

Email: Judy.Kuck@state.mn.us