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April 25, 2008

The Honorable Thomas Bakk
226 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

The Honorable Julianne Ortman
125 State Office Building
75 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

The Honorable Ann Lenczewski
509 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

The Honorable Dean Simpson
295 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

Re: Local Impact Note – S.F. 382/H.F. 420 School Health and Physical Education Requirements

Dear Senators and Representatives:

On March 13, 2008, the Department of Finance received a request to prepare a local impact note on S.F. 382/ H.F. 420, a bill relating to school health and physical education requirements. The bill adds physical education as one of the required academic standards for school districts and charters serving grades 9-12, requiring one-half credit of physical education for graduation. It also reduces elective requirements from 7 to 6.5 credits and requires school districts and charters to transmit a copy of their local school wellness policies to the Department of Education each year. 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 the Department of Finance to gather and analyze information on local costs of legislation when requested by the chair or ranking minority member of either tax committee.

This local impact analysis is based on the most recent version of the school health and physical education requirements language, which is included in H.F. 1812. Besides the requirements included in S.F. 382, this bill also requires that districts either use the Department of Education's physical education standards or the national physical education standards when satisfying the one-half credit physical education requirement.

To complete this local impact note, we surveyed the members of the Minnesota Association of School Board Officials. A total of 82 school districts and/or charters serving grades 9-12 responded to our request for information. Using the data received from these school districts and charters, an estimated statewide cost of \$1.2 million in FY 2009 as a result of this legislation was calculated.

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If you or your staff has any questions regarding this local impact analysis, please contact Alexandra Broat, Executive Budget Officer at 651-201-8026.

Sincerely,



James Schowalter
Assistant Commissioner

Attachment

cc: Senator David Tomassoni
Senator LeRoy Stumpf
Representative John Ward
Representative Mindy Greiling
Legislative Staff (email)



State of Minnesota - Local Impact Note
 Department of Finance with the
 Local Mandates Advisory Committee

April 25, 2008

S.F. 382/H.F. 420
 (Tomassoni/Ward)
 School Health and
 Physical Education
 Requirements

Local Fiscal Impact				
Net Expenditure Increase/Revenue Loss or (Expenditure Decrease/Revenue Gain)				
Dollars in Thousands, State Fiscal Years				
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Statewide:	N/A	\$1,160	Minimal	Minimal

School Districts: Alden-Conger, Alexandria, Bird Island-Olivia-Lake Lillian, Blooming Prairie, Cambridge-Isanti, Cedar Mountain, Centennial, Chaska, Climax-Shelly, Clinton-Graceville-Beardsley, Comfrey, Cook, Cromwell-Wright, Deer River, Dilworth-Glendon-Felton, Discovery Fairbault, Duluth, Eden Valley-Watkins, Edgerton, Edina, Fairmont, Fisher, Great River, Greenway, Hancock, Hills-Beaver Creek, Janesville-Waldorf-Pemberton, Kelliher, Kenyon-Wanamingo, Kimball, Kittson, Lake Superior, Lakeville, Lancaster, Laq Qui Parle Valley, Lighthouse Academy of the Nations, Mankato, Maple Lake, Marshall, Menahga, Minnetonka, MN North Star Academy, MN State Academy for the Deaf, Mounds View, Montevideo, Moose Lake, More, Morris, Murray, New Heights, New York Mills, North Branch, Norwood Young America, Oklee, Orono, Ortonville, Osakis, Owatonna, Parkers Prairie, Pine Island, Randolph, Renville, Rochester Charter, Rochester Public School, Roseville, Roud Lake-Brewster, Royalton, Sauk Centre, Sauk Rapids-Rice, Spring Grove, St. Francis, St. James, St. Michael-Albertville, Triton, Ulen-Hitteral, Unknown District, Verndale, Virginia, Walker-Hackensack-Akeley, Watertown-Mayer, Win-E-Mac.

EXPLANATION OF BILL

This local impact note was requested on S.F. 382/H.F. 420 that adds physical education as one of the required academic standards for school districts and charters serving grades 9-12, requiring one-half credit for graduation. It also reduces elective requirements from 7 to 6.5 credits and it requires school districts and charters to transmit a copy of their local school wellness policies to the Department of Education each year. The later version of this bill language, included in H.F. 1812, added a requirement that districts either use the department's physical education standards or the national physical education standards when satisfying the one-half credit physical education requirement. The analysis below was done on the most recent language contained in

H.F. 1812, investigating if the adoption of physical education standards will also have a fiscal impact on school districts and charters.

LOCAL IMPACT ANALYSIS SUMMARY

This analysis investigates the potential costs of S.F. 382/H.F. 420 on school districts and charters in Minnesota that currently do not require one-half credit of physical education for graduation. In addition, it investigates the costs associated with local school wellness policies and the adoption of physical education standards for those districts that currently do not have a local school wellness policy or physical education standards.

LOCAL IMPACT ANALYSIS DETAIL

Minnesota school districts and charters that do not require one-half credit of physical education for graduation will face added costs as a result of adding physical education to the required academic standards, adopting the six accepted standards in physical education, and transmitting a local school wellness plan to the Department of Education to be posted on the website annually.

Research Summary

Data collection was conducted through an e-mail based survey sent to school district and charter school business managers on the Department of Education listserv. Questions were asked about the costs involved with the implementation of one-half credit for physical education as outlined in S.F. 382/H.F. 420 (see appendix for the full list of questions). Out of the 341 school districts and 63 charters serving grades 9-12 in Minnesota, responses were received from 82 districts and/or charters statewide (20 percent of all districts/charters). Of the 82 districts/charters, 81 reported requiring physical education credits for graduation while only one reported having no physical education requirement. The physical education credits required for high school graduation varied from .5 – 4 credits with an average requirement of 1.3 credits. It should be noted, however, that districts and charters may calculate credits differently depending on the number of classes offered each day and whether they use quarters or semesters during the school year. Some districts/charters reported offering one-half credit for each class whereas others offered 1 full credit for each class. Nonetheless, at least one-half credit of physical education is required in grades 9-12 for graduation in almost all districts and/or charters surveyed. The one district not requiring physical education for graduation estimated a cost of \$7,000 each year to require physical education in grades 9-12. The costs would result from funding a physical education teacher in the high school who is currently teaching in lower grades.

Costs for requiring One-half credit of physical education

It was estimated that approximately 99 percent of districts and charters would already have a physical education requirement of at least one-half credit and the remaining 1 percent would need to implement the requirement physical education for graduation. The cost estimate received in the sample was approximately \$7,000 each year per district/charter.¹ Based on this information, the statewide cost for implementing one-half credit of physical education would be \$35,000.

¹ The district did not estimate costs for space and therefore are not included in the analysis but there may be costs for space to districts and charters if adequate space is not available to offer physical education.

Costs for Implementing Physical Education Standards

Of the districts and charters that required physical education credits, 70 adopted standards reflecting the six standards developed by the Department of Education Quality Teaching Network (QTN) or the National Physical Education Standards developed by the National Association for Sport and Physical Education. One district was in the progress of adopting standards and 11 districts/charters (13%) reported not adopting standards that reflect the QTN or national standards. Finance also asked the 70 districts and charters who had adopted standards about the costs involved when implementing the standards. The majority of districts and charters (43) reported that there were costs involved with the implementation of standards for physical education, while 23 had no costs with implementation, and 4 were not able to identify if there were any costs.² For those districts/charters that incurred costs with the development and adoption of standards, the estimated costs ranged from \$150 - \$83,000. The average cost for implementation was \$21,630. Because some districts and charters reported having a physical education credit requirement, but had not adopted any standards, the proposed language would carry a cost for those districts/charters that would need to adopt standards. It is assumed that approximately 87 percent of districts/charters would already have standards in place and as a result, no cost was calculated for those districts/charters.

To calculate a statewide cost for the districts/charters to adopt standards, the percentage of districts/charters that did not adopt any standards from the sample was applied to the total number of districts and charters statewide. It was estimated that 52 districts/charters (13 percent) would need to adopt standards and that it would cost approximately \$1.12 million statewide.

Implementing District/Charter Wellness Policies

Out of 82 districts and charters, 75 (90 percent) reported maintaining a local school wellness policy. Of those districts/charters, 33 stated that there were costs involved with developing and reviewing the policy. The costs ranged from \$100 - \$10,000 with an average cost of \$1,435 per district. The estimated costs associated with wellness policies included staff time and annual curriculum review. Few districts and charters reported no costs (10) and 32 reported that either they could not identify the costs associated with wellness plans or that the costs were absorbed.

Because federal law requires local schools and charters to develop wellness policies, a cost was not calculated for those districts/charters that reported not having one. The intent of this note was not to determine which districts and charters are in compliance with federal law, but to determine additional costs as a result of the requirements included in S.F. 382/H.F. 420. It was determined, however, that any cost involved with e-mailing a copy of this policy to the Department of Education annually would be negligible.

² These districts and charters reported that standards were adopted many years ago and there is no record of the costs that might have been incurred.

Table 1. Statewide District/Charter Cost Estimate

Proposed Changes to Districts and Charters	Cost
Implementing One-Half Credit of Physical Education	\$35,000
Developing the Quality Teaching Network Standards	\$1,125,000
Total statewide district/charter cost	\$1,160,000

Appendix: Questionnaire sent to school district and charter school business managers

IF YOUR DISTRICT OR CHARTER SCHOOL CURRENTLY REQUIRES PHYSICAL EDUCATION IN ANY OF THE GRADES 9 – 12, PLEASE ANSWER THESE QUESTIONS.

1. How many credits are required?
2. If your district requires credit in physical education, do locally-adopted standards reflect the six standards developed by the Department of Education Quality Teaching Network?
3. If your locally developed standards are reflective of the six standards, was there a cost in implementing these standards?
4. Do you currently develop an annual local school wellness policy? If so, what are the costs associated with developing it (staff hours, etc.)?

IF YOUR DISTRICT OR CHARTER SCHOOL DOES NOT REQUIRE PHYSICAL EDUCATION IN ANY OF THE GRADES 9 – 12, PLEASE ANSWER THESE QUESTIONS.

1. Would there be any barriers or costs if a half credit physical education was required for graduation in your district or charter? *(Please list all costs and possible barriers)*
2. Is physical education offered as an elective in your district or charter?
3. If your district offers physical education as an elective, do locally-adopted standards reflect the six standards developed by the Department of Education Quality Teaching Network?
4. If your locally developed standards are reflective of the six standards, was there a cost in implementing these standards? If so, how much did they cost to develop?
5. Do you currently develop an annual local school wellness policy? If so, what are the costs associated with developing it (staff hours, etc.)?