

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4791-02  
Bill No.: SB 983  
Subject: Education, Elementary and Secondary: Elementary and Secondary Education  
 Dept; Teachers  
Type: Original  
Date: March 3, 2006

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$52,560)	(\$50,000 to \$100,000)	(\$50,000 to \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$52,560)</b>	<b>(\$50,000 to \$100,000)</b>	<b>(\$50,000 to \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of the Governor** state the proposed legislation should not result in additional costs or savings to the Governor’s Office.

Officials from the **Missouri Senate and House of Representatives** state this proposal will either have no fiscal impact or minimal costs which can be absorbed by present appropriations.

Officials from the **Office of Secretary of State (SOS)** indicate that statewide newspaper publication of state statutes cost approximately \$1,752 per column inch based on estimate provided by the Missouri Press Service x 3 for multiple printings as required by the Constitution and state statute = \$5,256 per column inch. SOS estimates total number of inches for this amendment to be 10 inches, which includes title header and certification paragraph. \$5,256 x 10 inches = \$52,560.

If a special election is called for this purpose rather than being voted on at a general election, the cost of the special election has been estimated to be \$1.2 million based on the cost of the past two such elections.

Officials from the **Department of Elementary and Secondary Education(DESE)** state there is no cost to DESE other than minimal costs to add the percentage data to the annual report card

ASSUMPTION (continued)

under Section 160.522, RSMo.

In addition, the proposal requires DESE to prepare a report that offers analysis on the effectiveness of the goal and statistical correlations regarding the district's educational outcomes and the percent spent on classroom instruction. This report would require additional work and it is likely that DESE would contract for it at an estimated cost of \$50,000 to \$100,000 for such an annual study.

Officials from the **Parkway School District** state this proposal will have no impact on their district.

Officials from the **Kansas City, Missouri School District** see no fiscal impact so long as the goal coincides with the requirements of MSIP. The adoption as a goal will not result in a fiscal impact.

Officials from the **Francis Howell R-III School District** assume this proposal would impact the district's ability to adequately provide funds for necessary support services, such as transportation. **Oversight** assumes that since the proposal suggests a goal rather than a mandate, no fiscal impact will be assigned to local school districts.

A fiscal impact request was sent to the school districts of **Sedalia, Branson, Fulton, and others** who did not respond to a request for fiscal impact of the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Secretary of State - Election publication expenses	(\$52,560)	\$0	\$0
<u>Cost</u> - Dept of Elementary and Secondary Education - Contract costs for data analysis	<u>\$0</u>	(\$50,000 to <u>\$100,000</u> )	(\$50,000 to <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$52,560)</u></b>	<b><u>(\$50,000 to \$100,000)</u></b>	<b><u>(\$50,000 to \$100,000)</u></b>

FISCAL IMPACT - Local Government

FY 2007

FY 2008

FY 2009

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposed legislation requires, beginning July 1, 2007, each school district to adopt as a goal the expenditure of at least two-thirds of its current operational expenditures on classroom instruction.

The proposal defines the term "classroom instruction" and links it's meaning to a U.S. Department of Education Institute of Education Sciences publication, provided that the term shall be construed to include both "library and media services" and "guidance services." Further, the proposal defines the term "current operational expenditures" as all expenditures made by a school district other than expenditures for capital construction or debt or bond payments, including payment of interest on debt or bonds.

The Department of Elementary and Secondary Education shall ensure that each district's target percentage and actual classroom instruction expenditures are reported annually in both the district's annual accountability report card and in the department's "Report of the Public Schools" publication.

The proposal also requires the State Board of Education to report to the General Assembly and to the Governor a list of those districts that have and have not met the 66% goal. The report shall offer analysis regarding the effectiveness of the goal, as well as statistical correlations regarding each district's educational outcomes and their percent of current operational expenditures used for classroom instruction. The Governor shall publicly recognize those districts meeting the 66% goal as a "Governor's 'Students First' District".

This proposal contains a referendum clause.

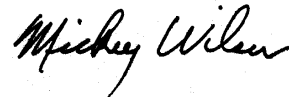
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
House of Representatives  
Office of the Governor  
Missouri Senate  
Office of Secretary of State  
    Division of Elections  
School Districts  
    Parkway  
    Kansas City  
    Francis Howell

NOT RESPONDING

**School Districts**  
    **Sedalia**  
    **Branson**  
    **Fulton**  
    **Other School Districts**



Mickey Wilson, CPA  
Director  
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