

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4636-02
Bill No.: SB 1072
Subject: Education, Elementary and Secondary
Type: Original
Date: February 27, 2008

Bill Summary: Allows expanded charter school operations for charters specifying certain special education students and modifies sponsors.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal appears to allow open enrollment of students in charter schools. For instance, if a charter school application was submitted by a district (and that district intended to serve a student population with at least 30% of its students with previously existing individualized education programs (IEP) the charter could do so and enroll students with existing IEP's from surrounding areas.

This proposal increases the number of institutions available to sponsor, allowing for any community college whose service district includes any part of such district and allowing any public or private four-year college or university with its primary campus in the state of Missouri.

DESE will need a total of three FTEs (two supervisors and one accounting specialist) to process applications and provide sponsor oversight.

The impact on school districts is unknown; a school district's loss of state aid for a student who moves to a charter school might or might not equal the school district's costs to educate that student that requires special education services.

Oversight assumes that it is unknown how many entities, if any, that are eligible to sponsor charters would opt to do so. Oversight assumes existing resources can be used to process applications and provide sponsor oversight. If a significant number of eligible entities would elect to sponsor charter schools, funding for personal services could be requested through the budget process.

Officials from the **Special School District of St Louis County (SSD)** estimate an annual reduction in funding of \$6.4 million to \$10.6 million between SSD and the 23 component districts in St Louis County.

Officials from the **University of Missouri - St Louis**, a charter school sponsor, responded but made no comment regarding the fiscal impact of the proposal.

Officials from the **Kansas City Metropolitan Community College, Lincoln University, and Missouri State University** stated this proposal would have no fiscal impact on their respective institutions.

ASSUMPTION (continued)

This proposal was sent to numerous other colleges, universities, and charter school sponsors who did not respond to a request for fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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LOCAL POLITICAL SUBDIVISIONS

<u>Savings</u> - School Districts - School districts that lose students could realize savings from not incurring education expenses specific to these students who require special education services	Unknown	Unknown	Unknown
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<u>Loss</u> - School Districts - School districts that lose students to charter schools would not receive as much state funding	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Current law provides that charter schools may be operated only in the St. Louis City or Kansas City school districts. This proposed legislation allows a charter school to be operated in any school district when a school's proposed charter specifies a student enrollment of at least 30% students requiring special education services as part of an individualized education program. In addition, such a charter school may enroll nonresident pupils who submit timely applications.

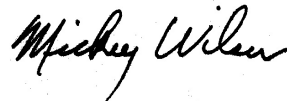
FISCAL DESCRIPTION (continued)

This proposal allows a community college whose service area includes any portion of a school district in which a charter school may be operated to be a sponsor. Any public or private four-year college or university with its primary campus in Missouri and with an approved teacher preparation program may sponsor a charter school.

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
Lincoln University
Kansas City Metropolitan Community College
University of Missouri - St Louis
Special School District of St Louis County
Missouri State University



Mickey Wilson, CPA
Director
February 27, 2008