

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4811-01
Bill No.: SB 1047
Subject: Education, Elementary and Secondary
Type: Original
Date: February 6, 2008

Bill Summary: Modifies the definition of special education pupil count in the foundation formula to include certain nonpublic students.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	\$0 to (\$7,300,000)	\$0 to (\$7,300,00)	\$0 to (\$7,300,000)
Total Estimated Net Effect on General Revenue Fund	\$0 to (\$7,300,000)	\$0 to (\$7,300,000)	\$0 to (\$7,300,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
State School Moneys Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds*	\$0	\$0	\$0

***Offsetting Transfers In from General Revenue and Transfers out to School Districts are \$0 to (\$7,300,000) annually.**

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	\$0 to \$7,300,000	\$0 to \$7,300,000	\$0 to \$7,300,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the simulations prepared as SB 287 was written in 2005 included nonpublic students because the data available at that time did not separate public from nonpublic. If the benchmark for a cost increase is the May 2005 simulation, DESE assumes there would be no increase in fiscal impact as nonpublic students were in the aggregate special education count for districts in the simulations.

However, if the benchmark for cost increase is the current expected cost in FY08 compared to the cost with the addition of this provision, then the cost is approximately \$7.3 million. The FY08 budget request for the foundation formula did not anticipate paying on nonpublic students. If those are added, the weighted average daily attendance will increase about 1,600 statewide at an approximate increase of \$7.3 million over DESE's FY08 budget estimate. Approximately 50 districts are impacted. The St. Louis County Special School District has approximately 1,050 of the increased weighted average daily attendance and would receive approximately \$6 million of the statewide increase.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Cost - DESE - Increased appropriation to foundation formula</u>	\$0 to <u>(\$7,300,000)</u>	\$0 to <u>(\$7,300,000)</u>	\$0 to <u>(\$7,300,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 to</u> <u>(\$7,300,000)</u>	<u>\$0 to</u> <u>(\$7,300,000)</u>	<u>\$0 to</u> <u>(\$7,300,000)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
STATE SCHOOL MONEYS FUND			
<u>Transfer In</u> - DESE - Increased funding from foundation formula	\$0 to \$7,300,000	\$0 to \$7,300,000	\$0 to \$7,300,000
<u>Transfer Out</u> - DESE - Transfer to school districts	\$0 to <u>(\$7,300,000)</u>	\$0 to <u>(\$7,300,000)</u>	\$0 to <u>(\$7,300,000)</u>
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Increased funding from foundation formula	\$0 to <u>\$7,300,000</u>	\$0 to <u>\$7,300,000</u>	\$0 to \$0 to <u>\$7,300,000</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to</u> <u>\$7,300,000</u>	<u>\$0 to</u> <u>\$7,300,000</u>	<u>\$0 to</u> <u>\$7,300,000</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal modifies the definition of "special education pupil count" in the elementary and secondary foundation formula by including nonpublic students served through the federal Individual with Disabilities Education Act by the school district in which the nonpublic school is located.

FISCAL DESCRIPTION (continued)

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

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 6, 2008