

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4947-01
Bill No.: SB 1084
Subject: Education, Elementary and Secondary; Boards, Commissions, Committees, Councils; Transportation
Type: Original
Date: February 26, 2008

Bill Summary: Eliminates penalization for state transportation aid of school districts operating magnet schools as part of a master desegregation settlement agreement.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$2,046,875)	(\$2,046,875)	(\$2,046,875)
Total Estimated Net Effect on General Revenue Fund	(\$2,046,875)	(\$2,046,875)	(\$2,046,875)

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	\$2,046,875	\$2,046,875	\$2,046,875

FISCAL ANALYSIS

ASSUMPTION

According to officials from the **Department of Elementary and Secondary Education (DESE)**, this proposal appears to indicate that the Saint Louis Public School District (StLPSD) shall not be considered inefficient for transporting students to magnet schools in accordance with the settlement agreement. DESE does not have data separated by types of schools; therefore, this fiscal note will attempt to estimate the impact based on the FY08 transportation payment. Per the February transportation calculation for StLPSD, Line 45 reflects the 30% adjustment for inefficiency. If Line 45 remained at the \$20,897,067 (100% efficiency) and that number is multiplied by 75% (Line 46), the result is \$15,672,800. That is \$4,701,840 more than the current calculated Line 46. If DESE were to assume that all the inefficiency is related to transporting students to magnet schools, then the estimated cost is approximately \$4.7 million. The inefficiency is likely not entirely related to transporting students to magnet schools; therefore, the estimated cost likely falls into the range of \$2.5 million to \$4.7 million.

Officials from the **St Louis Public School District (StLPSD)** provided the following assumptions regarding this proposal as it applies to their district:

- Average miles per day in bus transportation is 18,199
- Approximately 63% or 11,410 miles per day is attributed to the magnet school programs.
- As a result of the magnet school program, children are bused from all areas of the city of St. Louis to any magnet school in the StLPSD.
- The state transportation formula does not take into account the magnet program.
- The state transportation formula penalizes the District because of the excessive transportation miles due to the magnet program.

StLPSD officials assume this proposal would bring their district more in line with other school districts in the state and would provide additional funds for the transportation program.

Oversight has recalculated the transportation aid calculation based on the February report and the information from StLPSD regarding the 63% of students transported to magnet schools. The recalculation results in an increase to the StLPSD of \$2,046,875. Without knowing the fluctuation in subsequent years, Oversight will assume the same amount for FY 2010 and FY 2011.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Cost</u> - Department of Elementary and Secondary Education - Increased transportation aid to St Louis Public School District	<u>(\$2,046,875)</u>	<u>(\$2,046,875)</u>	<u>(\$2,046,875)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$2,046,875)</u>	<u>(\$2,046,875)</u>	<u>(\$2,046,875)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - St Louis Public School District - Increased transportation aid due to elimination of efficiency penalty for students transported to magnet schools	<u>\$2,046,875</u>	<u>\$2,046,875</u>	<u>\$2,046,875</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$2,046,875</u>	<u>\$2,046,875</u>	<u>\$2,047,875</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposed legislation provides that any school district operating magnet schools as part of a master desegregation settlement agreement will not be considered inefficient for state transportation aid and will not be penalized as a result.

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

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education
St Louis Public School District

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent 'M' and 'W'.

Mickey Wilson, CPA
Director
February 26, 2008