

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0455-01
Bill No.: SB 64
Subject: Education, Elementary and Secondary
Type: Original
Date: February 3, 2009

Bill Summary: Modifies provisions relating to charter schools

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Coordinating Board for Higher Education** state this proposal will have no direct, foreseeable impact on their agency.

§160.400.2

According to officials from the **Department of Elementary and Secondary Education (DESE)**, eighteen school districts meet the criteria of districts where a charter school may operate: Kingston, New Bloomfield, Climax Springs, Ridgeway, Hickman Mills, Kansas City, Winfield, Risco, Hayti, Caruthersville, Lesterville, Ferguson-Florissant, Jennings, Normandy, Riverview Gardens, University City, Gilliam, St Louis City.

§160.400.2(2)

This section would allow an additional 24 institutions to be eligible to sponsor charters, which would require oversight by DESE staff.

DESE states there is no way to predict the number of charter schools that will actually come into existence nor how many students would move from public education into a charter environment. Therefore, impact is not something that can be calculated. However, it would be logical to assume that several charter schools will open which will require significant oversight. DESE would need three FTEs related to the additional requirements under this proposed language: 1 assistant director, 1 supervisor, and 1 administrative assistant.

Oversight assumes that it is unknown how many of the 24 institutions, 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 institutions would elect to sponsor charter schools, funding for personal services could be requested through the budget process.

DESE reports that no changes are proposed to §160.415; therefore, the funding process appears to remain unchanged. The state aid for a qualifying student who decides to attend a qualifying charter school will come from the state's state aid and local calculation of the district in which the charter is located. This may shift some local tax money from the district to the charter for a student who is not a resident of the district. Such a shift cannot be estimated.

The proposal does not appear to change the state aid to the applicable district in the adjacent

ASSUMPTION (continued)

county.

Officials from the **City of St Louis** do not anticipate a significant fiscal impact from this proposed legislation.

Officials from the **University of Missouri** and **Missouri State University** state this proposal will have no fiscal impact on their respective institutions.

Officials from the **University of Missouri - St Louis** (charter school sponsor) did not indicate any fiscal impact resulting from this proposal.

According to officials from the **University of Missouri - Kansas City (UMKC Charter School Center)**, the only provision that will effect charter school budgets is §160.405.13(2). The employee theft provision will save money over the surety bond required in §160.405.13(1).

The only provision that will effect charter school sponsor budgets is §160.400.9(1) and the second paragraph of §160.400.9(5) which will require about \$10,000 per year to document the cost of University services used to "support charter school sponsorship activities". Currently UMKC does not charge the UMKC Charter School Center for accounting service, administrative or School of Education faculty time spent supporting charter schools or maintenance of the University owned house in which the Charter School Center is located.

This proposal was sent to several school districts not classified as accredited, none of which responded to a request for fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

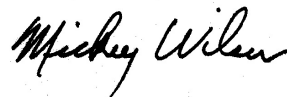
SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Coordinating Board for Higher Education
City of St Louis
Charter School Sponsors
 UMKC Charter School Center - University of Missouri - Kansas City
 University of Missouri - St Louis
Colleges and Universities
 Missouri State University
 University of Missouri

NOT RESPONDING

School Districts

Jennings
Normandy
Riverview Gardens
Wellston
St Louis Public Schools



Mickey Wilson, CPA
Director
February 3, 2009