

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0157-03
Bill No.: Perfected SCS for SB 7
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department; Boards, Commissions, Committees, Councils; General Assembly; Governor and Lieutenant Governor
Type: Original
Date: February 6, 2013

Bill Summary: This proposal modifies provisions relating to school accreditation for failing school districts.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Kansas City Public Schools (KCPS)** assume that this proposal has a few requirements that may have a fiscal impact to KCPS or the State of Missouri; however until such time as the State Board of Education establishes a policy statement on how they will implement change it is difficult to estimate the impact.

The following provisions will have a fiscal impact to either the district or state, depending on implementation policy which has not been developed by the Department of Elementary and Secondary Education (DESE):

§162.081.2

Requires DESE to conduct "at least two public hearings at a location in the unaccredited school district regarding the accreditation status of the school district..." The fiscal impact is unknown, however it would be consistent with rental, staffing, and overhead cost to have public meetings at market rate in metro Kansas City.

Oversight assumes existing language in this section already has a provision for public hearings. The new language clarifies and expands the existing language. No fiscal impact is assumed.

§162.081.3

Allows DESE to appoint a "special administrative board (SAB)" to supervise specified operations. The bill requires the board to be comprised of "two persons who are district residents," one of which being "a professional administrator, who shall chair the board and shall be compensated, as determined by DESE, in whole or part with funds from the district." Impact unknown, however consistent with a FTE position possibly at the highest level in the organization.

Oversight assumes the existing language in this section is deleted and there is no further reference to SAB compensation in the bill. No fiscal impact is assumed.

KCPS assumes this proposal allows for changes in governance and operations. If families flee the district because of fear or uncertainty of change after there has been demonstrated inconsistencies over the past year, the fiscal impact will be reduced enrollment and lower ADA. The district saw an increase in enrollment this past year and expects this trend to continue with the existing operational model.

ASSUMPTION (continued)

Oversight assumes reduced enrollment and lower ADA is speculative and, for fiscal note purposes only, will assign no fiscal impact.

KCPS assumes that if DESE exercises the provision to implement a SAB and completely dissolves the existing governing board, the proposal will require a series of public meetings, public vote, and methods for residents to provide public comments. Each of these may have logistical costs associated with them based on market rate public meeting and election costs for the district.

Oversight assumes statute is already in place to implement a SAB and there should be no fiscal impact over and above what which would be incurred with existing legislation.

Officials from the **Department of Elementary and Secondary Education** state this proposal will have no fiscal impact on their agency or on school districts.

Officials from the **Office of the Governor, Missouri House of Representatives, Parkway School District, Francis Howell School District, and the Special School District of St. Louis County** each assume the proposal would not fiscally impact their respective agencies.

In response to similar legislation from last year (Perfected SS for SCS for SB 677), officials from the **Missouri Senate** assumed no fiscal impact.

Officials from the **Office of Lieutenant Governor, Normandy School District, and the Riverview Gardens School District** did not respond to a request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014	FY 2015	FY 2016
	<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 direct fiscal impact.

This proposal contains an emergency 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
Office of the Governor
Missouri House of Representatives
Missouri Senate
School Districts
 Parkway
 Special School District of St. Louis County
 Kansas City Public School District
 Francis Howell

Not Responding:

**Office of the Lieutenant Governor
Normandy School District
Riverview Gardens School District**



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