

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0046-01
Bill No.: HB 42
Subject: Education, Elementary and Secondary
Type: Original
Date: January 16, 2015

Bill Summary: This proposal establishes a system of school accreditation by building rather than by district and establishes standards for student transfers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$65,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$65,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government*	\$0	\$0	\$0

* Transfer In and outs net to zero.

FISCAL ANALYSIS

ASSUMPTION

§161.091 Attendance Centers Accreditation

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this proposal establishes a system of school accreditation by building rather than by district. This would require \$65,000 to cover additional data collection, Office of Administration's Information Technology Services, and vendor charges.

Officials at the **Office of the State Courts Administrator** assume there is no fiscal impact from this proposal.

Officials at the **Monroe City R-I School District** assume that district or building accreditation is subject to DESE policy. Consequently, there is no specific cost associated with the designation.

Oversight will reflect in the fiscal note the one-time costs of establishing a system for building accreditation.

§167.131 and 167.132 Tuition Rate Calculation and Standards for Transfer Students

Officials at the **Monroe City R-1 School District** assume that in single building districts (one elementary, one middle school, one high school) expenditures related to tuition and transportation costs would be substantial, easily in excess of \$9,000/student/year, assuming full tuition fees based on expenditures/pupil. Transportation costs would be substantial for transfers in our area as the closest schools are no less than twenty miles away. Per pupil costs would vary in accordance with the number of students transported and receiving school tuition charges.

Officials at the **Special School District of St. Louis** assume this proposed legislation could have a negative fiscal impact on the Special School District if the St. Louis Public Schools becomes unaccredited and students transfer to school districts in St. Louis County. As drafted, this bill does not address tuition for a student with an IEP which could cause SSD to provide services to a City student in a St. Louis County district without reimbursement of costs.

Officials at the **Riverview Gardens School District** assume that the cost to the district while unaccredited is \$7.5 million. Upon becoming accredited, this amount would decline by an average of 17% each year for six years.

ASSUMPTION (continued)

Oversight assumes there is currently one unaccredited school district (Riverview Gardens) and one state oversight school district (Normandy Schools Collaborative) that may be impacted by the provisions of this proposal. Oversight assumes the unaccredited districts would have a loss from students transferring while the receiving district would have a gain.

Bill as a Whole

Officials at the **Kansas City Public Schools** assume there is no fiscal impact from this proposal. However, unaccredited schools would be impacted.

Officials at the **Kirbyville R-VI Schools** assume there is no fiscal impact from this proposal.

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the following schools: Blue Springs Public Schools, Branson Public Schools, Caruthersville School District, Charleston R-I Schools, Cole R-I Schools, Columbia Public Schools, Fair Grove Schools, Francis Howell Public Schools, Fulton Public School, Harrisonville School District, Independence Public Schools, Jefferson City Public Schools, Kirksville Public Schools, Lee Summit Public Schools, Macon School, Malta Bend Schools, Mexico Public Schools, Nixa Public Schools, Parkway Public Schools, Pattonville Schools, Raymore-Peculiar R-III Schools, Raytown School District, Sedalia School District, Sikeston Public Schools, Silex

ASSUMPTION (continued)

Public Schools, Spickard School District, Springfield School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools, Warren County R-III School District and Waynesville Public School did not respond to **Oversight's** request for fiscal impact.

FISCAL IMPACT - State Government FY 2016 FY 2017 FY 2018

GENERAL REVENUE

<u>Costs</u> - DESE - one time expenses for collection of new accreditation data by building	(<u>\$65,000</u>)	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$65,000)</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government FY 2016 FY 2017 FY 2018

LOCAL SCHOOL DISTRICT FUNDS

<u>Transfer In</u> - Receiving school districts - tuition for transfer students	Unknown greater than \$1,000,000	Unknown greater than \$1,000,000	Unknown greater than \$1,000,000
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<u>Transfer Out</u> - Unaccredited school districts - tuition paid for transfer students	(Unknown greater than <u>\$1,000,000</u>)	(Unknown greater than <u>\$1,000,000</u>)	(Unknown greater than <u>\$1,000,000</u>)
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ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</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

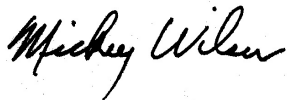
This proposal establishes a system of school accreditation by building rather than by district and establishes standards for student transfers.

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

Joint Committee on Administrative Rules
Kansas City Public Schools
Kirbyville R-VI Schools
Monroe City R-I School District
Office of the State Courts Administrator
Office of the Secretary of State
Riverview Gardens School District
Special School District of St. Louis



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January 16, 2015

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January 16, 2015