

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0166-01
Bill No.: SB 7
Subject: Education, Elementary and Secondary
Type: Original
Date: January 13, 2015

Bill Summary: This proposal repeals the separate calculation used for hold-harmless school districts with an average daily attendance of 350 or less.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$16,700,000	\$16,700,000	\$16,700,000
Total Estimated Net Effect on General Revenue	\$16,700,000	\$16,700,000	\$16,700,000

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 5 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	(\$16,700,000)	(\$16,700,000)	(\$16,700,000)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education** assume this proposal would eliminate the hold harmless provision, as it is currently calculated, for school districts with an average daily attendance (ADA) of under 350. These school districts would be held harmless in the same way that school districts having an ADA of greater than 350 are held harmless. Keeping all factors the same in the formula and just changing the method of the small schools hold harmless calculation would create a \$16.7 million smaller formula call.

Oversight notes that there are 138 small hold harmless school districts that would be impacted by this proposal.

Officials at the **Malta Bend Schools** assume this would have an impact but was unable to determine the exact impact.

Officials at the **Kirbyville R-VI School District** assume the impact is unknown.

Officials at the **Kansas City Public Schools**, the **Riverview Gardens School District** and the **Special School District of St. Louis** each assume there is no fiscal impact to their respective school from this proposal.

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

<u>FISCAL IMPACT - State Government</u>	FY 2016	FY 2017	FY 2018
GENERAL REVENUE			
<u>Savings - funding formula recalculation</u>	<u>\$16,700,000</u>	<u>\$16,700,000</u>	<u>\$16,700,000</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$16,700,000</u>	<u>\$16,700,000</u>	<u>\$16,700,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016	FY 2017	FY 2018
SMALL SCHOOL DISTRICTS			
<u>Loss - funding formula recalculation</u>	<u>(\$16,700,000)</u>	<u>(\$16,700,000)</u>	<u>(\$16,700,000)</u>
ESTIMATED NET EFFECT ON SMALL SCHOOL DISTRICTS	<u>(\$16,700,000)</u>	<u>(\$16,700,000)</u>	<u>(\$16,700,000)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act repeals the separate calculation that is used for hold-harmless school districts with an average daily attendance of 350 or less. State funding for all hold-harmless districts will be calculated using the same calculation.

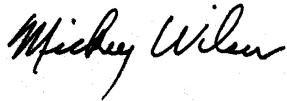
This act will become effective on July 1, 2015, or upon passage and approval, whichever occurs later.

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
Kansas City Public Schools
Kirbyville R-VI School District
Malta Bend Schools
Riverview Gardens School District
Special School District



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Director
January 13, 2015

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January 13, 2015