

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4494-01
Bill No.: SB 687
Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education
Type: Original
Date: March 1, 2018

Bill Summary: This proposal allows school districts to allocate less than 1% but no less than .5% of moneys received under the school foundation formula to the professional development committee of the district when certain requirements are met.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government*	\$0	\$0	\$0

*Savings and expenditures net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

Officials from the **Macon County R-IV School District** assume, currently, the district is required to spend 1%, or roughly \$6,800, on professional development. If this is cut to .5%, the savings would be \$3,400.

Officials from the **Osage R-2 School District** assume the district could possibly have a savings of \$9,000 annually. However, districts would need to cover cost of professional development anyway, to meet CSIP goals and objectives. About \$9,000 could be used to cover more of transportation costs.

Officials from the **West Plains School District** assume there is no cost impact, other than the potential for some relief (up to \$30,000) if needed.

Officials from the **Pettis County R-12 School District** assume a positive impact of .5% of funding and flexibility in expenditure.

Officials from the **Montgomery County R-II School District** assume this may provide some funding relief locally.

Officials from the **Forsyth R-III Schools** assume a positive impact around \$22,000 per year.

Officials from the **Summersville R2 School District** assume the proposal will have little to no fiscal impact on their organization.

Officials from the **Kirksville R-III School District** assume the proposal will have no fiscal impact on their organization.

ASSUMPTION (continued)

Oversight notes, currently, section 160.530 states that a school district is required to allocate 1% of moneys received from the foundation formula (less categorical add-ons) to the local professional development committee of which 75% of such funds shall be spent in the same fiscal year.

Oversight assumes this proposal would allow school districts to allocate less than 1% but not less than .5% of the foundation formula to the professional development committee if the amount distributed to districts for the transportation of pupils is less than 25% of the allowable costs to provide transportation. Oversight assumes school districts would have the option of foregoing part of the professional development expenditure estimated at up to \$16,964,536 (\$3,392,907,149 x .005) per year.

Oversight assumes this proposal is permissive would only occur in the event of a majority vote of the school district's board. Oversight assumes that any funds generated from the foregone professional development expenditure would be used by the school districts for other purposes in the year in which the funds were received. Oversight will show a net fiscal impact of \$0 to local school districts.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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LOCAL SCHOOL DISTRICTS

<u>Savings</u> - optional reduction in professional development expenditure	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Expenditures</u> - flexibility of spending funds	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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LOCAL SCHOOL DISTRICTS	<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


Currently, school districts are required to allocate 1% of moneys received under the school foundation formula to the professional development committee of the district. Under this act, school districts may, by majority vote of the board, allocate less than 1% but no less than .5% when such district is appropriated less than 25% of the allowable costs of providing pupil transportation under the school foundation formula. A school district may appropriate money in such manner until the end of fiscal year 2024.

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
Macon County R-IV School District
Osage R-2 School District
West Plains School District
Pettis County R-12 School District
Montgomery County R-II School District
Forsyth R-III Schools
Summersville R2 School District
Kirksville R-III School District

Ross Strobe



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March 1, 2018