

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4494-02
Bill No.: HCS for SB 687
Subject: Elementary and Secondary Education; Transportation
Type: Original
Date: April 26, 2018

Bill Summary: This proposal modifies provisions relating to student transportation and allocation of school funds.

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 6 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** and **Missouri Department of Transportation** assume this proposal will have no fiscal impact on their organizations.

Officials from the **Wellsville-Middletown R-1 School District** assume this proposal will have no impact on the district.

Officials from the **City of Kansas City** assume this proposal will have no fiscal impact their organization.

§160.530 Professional Development Expenditure

In response to a previous version, SB 637 (LR 4494-01), officials from the **Macon County R-IV School District** assumed, 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.

In response to a previous version, SB 637 (LR 4494-01), officials from the **Osage R-2 School District** assumed 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.

In response to a previous version, SB 637 (LR 4494-01), officials from the **West Plains School District** assumed there is no cost impact, other than the potential for some relief (up to \$30,000) if needed.

In response to a previous version, SB 637 (LR 4494-01), officials from the **Pettis County R-12 School District** assumed a positive impact of .5% of funding and flexibility in expenditure.

In response to a previous version, SB 637 (LR 4494-01), officials from the **Montgomery County R-II School District** assumed this may provide some funding relief locally.

In response to a previous version, SB 637 (LR 4494-01), officials from the **Forsyth R-III Schools** assumed a positive impact around \$22,000 per year.

In response to a previous version, SB 637 (LR 4494-01), officials from the **Summersville R2 School District** assumed the proposal will have little to no fiscal impact on their organization.

ASSUMPTION (continued)

In response to a previous version, SB 637 (LR 4494-01), officials from the **Kirksville R-III School District** assumed the proposal will have no fiscal impact on their organization.

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 provision 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 provision 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.

§304.060 Districts May Contract with Municipalities for Transportation

In response to a similar proposal, Perfected HCS for HB 1366 (LR 4634-02), officials from the **Summersville R2 School District, Kirksville R-III School District and Wellsville-Middletown R-1 School District** assumed there was no fiscal impact from this provision.

Oversight assumes this provision allows the Kansas City School District to enter into contracts with municipalities to provide transportation to students. Oversight assumes this provision is permissive and will not show a fiscal impact.

<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
LOCAL SCHOOL DISTRICTS			
<u>Savings</u> - optional reduction in professional development expenditure §160.530 - page 3	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Expenditures</u> - flexibility of spending funds	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
LOCAL SCHOOL DISTRICTS	<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

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.

The bill authorizes certain school districts to contract with municipalities to transport high school children.

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

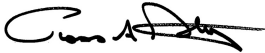
SOURCES OF INFORMATION

Department of Elementary and Secondary Education
 Department of Public Safety - Missouri State Highway Patrol
 City of Kansas City
 Macon County R-IV School District
 Osage R-2 School District

SOURCES OF INFORMATION (continued)

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
Wellsville-Middletown R-1 School District

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope".

Acting Director
April 26, 2018