

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4496-02  
Bill No.: HCS for SB 743  
Subject: Elementary and Secondary Education; Bonds - Surety; Children and Minors  
Type: Original  
Date: April 16, 2018

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Bill Summary: This proposal modifies provisions relating to elementary and secondary education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(Less Than \$100,000)	(Less Than \$100,000)	(Less Than \$100,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Less Than \$100,000)</b>	<b>(Less Than \$100,000)</b>	<b>(Less Than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
State Schools Money Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Revenues and expenses net to zero.

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>Less Than \$100,000</b>	<b>Less Than \$100,000</b>	<b>Less Than \$100,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §162.401 Surety Bonds

Officials at the **Department of Elementary and Secondary Education (DESE)** assume no fiscal impact to the Department. DESE defers to the school districts for any fiscal impact.

In response to a previous version, SB 743 (LR 4496-01), officials from **Forsyth R-III Schools, Kirksville R-III School District, Summersville R2 School District, and West Plains School District** each assumed the proposal will have no fiscal impact on their organizations.

**Oversight** assumes this proposal would require only one surety for a treasurer instead of the current two sureties. Oversight assumes this would not fiscally impact the state or school districts by a material amount.

#### §163.018 Enrollment Vacancy

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this proposal will result in insignificant costs. This would be a cost to the foundation formula. DESE has no way to estimate the number of kids that might leave a program or whether a district would choose to fill a vacancy if a pupil did leave. DESE assumes any impact would be insignificant.

Based on DESE's response, **Oversight** will show a fiscal impact of less than \$100,000.

Officials at the following school districts: Arcadia Valley R-2, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Eldon R-I, Everton R-III, Fair Play, Fayette R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kansas City Public Schools, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Lee Summit, Leeton R-10, Lewis County C-1, Lincoln R-II, Lindbergh, Lonedell R-14, Malta Bend, Mehville, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North Kansas City, North St. Francois Co. R-1, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osborn R-0, Parkway, Pattonville, Pierce City, Plato R-5, Princeton R-5,

ASSUMPTION (continued)

Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Richards R-V, Richland R-1, Richmond R-XVI, Riverview Gardens, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Sedalia, Seymour R-2, Sikeston, Silex, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Waynesville, Webster Groves, Wentzville, Westview C-6 and the Wright City R-2 school districts did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - increased call to the foundation formula for vacancies filled	(Less Than <u>\$100,000</u> )	(Less Than <u>\$100,000</u> )	(Less Than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Less Than <u>\$100,000</u>)</b>	<b>(Less Than <u>\$100,000</u>)</b>	<b>(Less Than <u>\$100,000</u>)</b>
<b>STATE SCHOOLS MONEY FUND</b>			
<u>Transfer In</u> - from General Revenue	Less Than \$100,000	Less Than \$100,000	Less Than \$100,000
<u>Transfer Out</u> - to School Districts	(Less Than <u>\$100,000</u> )	(Less Than <u>\$100,000</u> )	(Less Than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON THE STATE SCHOOLS MONEY FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>LOCAL SCHOOL DISTRICT FUNDS</b>			
<u>Revenue</u> - state aid for vacancies filled	Less Than <u>\$100,000</u>	Less Than <u>\$100,000</u>	Less Than <u>\$100,000</u>
<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS</b>	<b>Less Than <u>\$100,000</u></b>	<b>Less Than <u>\$100,000</u></b>	<b>Less Than <u>\$100,000</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal also allows a school district or charter school to fill a vacant enrollment spot with another pupil between the ages of three and five who is eligible for free and reduced lunch without affecting the district or charter school's average daily attendance

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  
Forsyth R-III Schools  
Kirksville R-III School District  
Summersville R2 School District  
West Plains School District

Ross Strope



Acting Director  
April 16, 2018