

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3882S.01I  
 Bill No.: SB 771  
 Subject: Education, Elementary and Secondary  
 Type: Original  
 Date: February 17, 2022

Bill Summary: This proposal modifies the definition of weighted average daily attendance used to calculate state aid for school districts.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2027)
	(\$51,929,570)	(\$104,229,536)	(\$157,146,100)	(\$265,723,591)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$51,929,570)</b>	<b>(\$104,229,536)</b>	<b>(\$157,146,100)</b>	<b>(\$265,723,591)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2027)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2027)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2027)
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2027)
<b>Local Government</b>	<b>\$51,929,570</b>	<b>\$104,229,536</b>	<b>\$157,146,100</b>	<b>\$265,723,591</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from **Department of Elementary and Secondary Education (DESE)** state modifications to 163.011.(20), RSMo, will result in approximately the following increase to the Basic Formula payment:

Base Year	Weighting Modifier	Difference
2023	0.30	\$ 51,929,569.47
2024	0.35	\$ 104,229,535.50
2025	0.40	\$ 157,146,999.62
2026	0.45	\$ 210,634,894.26
2027	0.50	\$ 265,723,590.92

For all future years the continued cost is approximately \$265,723,590.90.

If this law is not modified to start by 7-1-2022 or for a later fiscal year it would also require ITSD involvement to modify the payment system to allow for 2 months of one calculation method and 2 months of another.

**Oversight** will show the costs as estimated by DESE.

<u>FISCAL IMPACT</u> – State Government	FY 2023 (10 Mo.)	FY 2024	FY 2025	Fully Implemented (FY 2027)
<b>GENERAL REVENUE</b>				
<u>Costs</u> – DESE - from increasing the weighting modifier in the foundation formula	<u>(\$51,929,570)</u>	<u>(\$104,229,536)</u>	<u>(\$157,146,100)</u>	<u>(\$265,723,591)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$51,929,570)</u></b>	<b><u>(\$104,229,536)</u></b>	<b><u>(\$157,146,100)</u></b>	<b><u>(\$265,723,591)</u></b>

<u>FISCAL IMPACT</u> – <u>Local</u> <u>Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025	Fully Implemented (FY 2027)
<b>SCHOOL DISTRICTS &amp; CHARTER SCHOOLS</b>				
<u>Revenue</u> - from increasing the weighting modifier in the foundation formula	<u>\$51,929,570</u>	<u>\$104,229,536</u>	<u>\$157,146,100</u>	<u>\$265,723,591</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS &amp; CHARTER SCHOOLS</b>	<b><u>\$51,929,570</u></b>	<b><u>\$104,229,536</u></b>	<b><u>\$157,146,100</u></b>	<b><u>\$265,723,591</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 act modifies the definition of "weighted average daily attendance" as used in the education funding formula to mean the average daily attendance plus the "weighting modifier for free and reduce price lunch pupils," rather than the product of 0.25 multiplied by the free and reduced price lunch pupil count that exceeds the free and reduced price lunch threshold, plus certain other factors set forth under current law.

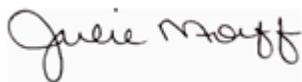
This act defines "weighting modifier for free and reduced price lunch pupils" as the product of the free and reduced price lunch pupil count that exceeds the free and reduced price lunch threshold multiplied by 0.30 for fiscal year 2023, by 0.35 for fiscal year 2024, by 0.40 for fiscal year 2025, by 0.45 for fiscal year 2026, and by 0.50 for fiscal years 2027 and each subsequent year.

The same modification is made in the calculation of weighted average daily attendance for special school districts.

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



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February 17, 2022



Ross Strobe  
Assistant Director  
February 17, 2022