

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0389S.01I
 Bill No.: SB 251
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education
 Type: Original
 Date: January 3, 2023

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
General Revenue	(\$41,401,487)	(\$83,390,435)	(\$126,254,840)	(\$215,543,853)
Total Estimated Net Effect on General Revenue	(\$41,401,487)	(\$83,390,435)	(\$126,254,840)	(\$215,543,853)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Total Estimated Net Effect on FTE	0	0	0	\$0

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.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Local Government	\$41,384,455	\$83,386,943	\$126,251,261	\$215,540,184

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
2024	0.30	\$ 41,384,454.50
2025	0.35	\$ 83,386,942.65
2026	0.40	\$ 126,251,260.66
2027	0.45	\$ 169,807,740.47
2028	0.50	\$ 215,540,183.73

For all future years the continued cost is approximately \$215,540,183.73.

Officials from the **Office of Administration (OA) - Information Technology Services Division (ITSD)** assume the new graduated calculation from twenty-five hundredths to fifty hundredths over five years would be best managed through the use of a new maintenance screen. This project will have to be prioritized among other DESE projects if the legislation passes.

OA-ITSD assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. ITSD estimates the project would take 673.92 hours at a contract rate of \$95 for a total cost of \$17,032 with on-going support costs.

Oversight will reflect the costs provided by DESE and ITSD for fiscal note purposes.

<u>FISCAL IMPACT</u> <u>– State</u> <u>Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
GENERAL REVENUE				
<u>Costs</u> - DESE/ITSD - for a new maintenance screen	(\$17,032)	(\$3,492)	(\$3,579)	(\$3,669)
<u>Costs</u> – DESE - from increasing the weighting modifier in the foundation formula	(\$41,384,455)	(\$83,386,943)	(\$126,251,261)	(\$215,540,184)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$41,401,487)</u>	<u>(\$83,390,435)</u>	<u>(\$126,254,840)</u>	<u>(\$215,543,853)</u>

<u>FISCAL IMPACT</u> <u>- Local</u> <u>Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
SCHOOL DISTRICTS & CHARTER SCHOOLS				
<u>Revenue</u> - from increasing the weighting modifier in the foundation formula	<u>\$41,384,455</u>	<u>\$83,386,943</u>	<u>\$126,251,261</u>	<u>\$215,540,184</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS & CHARTER SCHOOLS	<u>\$41,384,455</u>	<u>\$83,386,943</u>	<u>\$126,251,261</u>	<u>\$215,540,184</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 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.

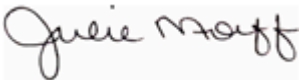
This act defines "weighting modifier for free and reduced price lunch pupils" as the product of the free and reduced price lunch pupil count that exceeds the free and reduced price lunch threshold multiplied by 0.30 for fiscal year 2024, by 0.35 for fiscal year 2025, by 0.40 for fiscal year 2026, by 0.45 for fiscal year 2027, and by 0.50 for fiscal years 2028 and each subsequent year.

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

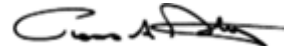
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education



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January 3, 2023



Ross Strobe
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January 3, 2023