

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4644-01  
Bill No.: SB 1183  
Subject: Education, Elementary and Secondary; Children  
Type: Original  
Date: March 12, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
State School Moneys Fund	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>School Districts</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assumes that there are three funding components in this proposed legislation:

Section 160.530 - Allocation at some level of the 1% for critical needs to family literacy. This allocation appears to be at the discretion of the Commissioner of Education.

Section 160.531 - Take an amount off the top of the foundation formula to schools and distribute it to establish and fund family literacy programs. The cost estimate for FY 03 is approximately \$534,565 if the foundation formula for FY 03 is increased by \$175 million. Therefore, \$534,565 would be subtracted from the amount to go to districts through the formula, potentially resulting in a proration factor less than 1.00.

Section 163.011 - Authorizes districts to include in its average daily attendance(ADA) calculation the attendance in family literacy programs. This would result in an unknown increased cost to the foundation formula.

DESE assumes that adult and preschool attendance in such programs would be allowed to be counted in ADA. Counting of such attendance will increase ADA, thus increasing the cost of the foundation formula. Counting adult and Pre-K attendance has not been authorized for other programs.

DESE assumes an unknown increase in General Revenue transfer to State School Moneys Fund necessary to provide additional aid to school districts resulting if districts are authorized to include, in average daily attendance, the attendance in family literacy programs.

**Oversight** assumes the language in the proposal is permissive regarding allowing public schools to establish family literacy programs, therefore, costs determined by DESE have been ranged.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as 4 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$246 for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

ASSUMPTION (continued)

LMD:LR:OD (12/01)

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Kansas City Missouri School District** interpreted the proposed legislation to have a positive fiscal impact since it appears to have a funding source, and family literacy attendees would become a part of the eligible pupils count.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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**GENERAL REVENUE**

<u>Cost</u> - Additional aid due to increase in average daily attendance	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>(\$0 to (Unknown))</u>
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**STATE SCHOOL MONEYS FUND**

<u>Transfer In</u> - From General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer Out</u> - Distributions to School Districts	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
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<b>ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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**SCHOOL DISTRICTS**

<u>Income</u> - Increased distribution from School Moneys Fund	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Loss</u> - Decreased state aid from funds subtracted from distributions to establish and fund family literacy programs	\$0 to (\$534,565)	\$0 to (\$534,565)	\$0 to (\$534,565)
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<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS*</b>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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\*Assuming ADA increase is more than program cost

FISCAL IMPACT - Small Business

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

### DESCRIPTION

This proposed legislation allows public schools to establish family literacy programs and adds funding for family literacy programs to the priority list of "Statewide areas of critical need for learning and development" and makes family literacy personnel eligible to receive a portion of the funds already allocated to address these statewide areas of critical need for learning and development. Also, proposal allows local boards of education to include family literacy programs in the "child at-risk in education programs" which utilize moneys already distributed to school districts by means of the state aid formula.

The proposal mandates that a portion of the state school aid appropriation to the Department of Elementary and Secondary Education (DESE) shall be distributed by DESE to establish and fund family literacy programs in school attendance centers declared academically deficient or school districts declared unaccredited or provisionally accredited. This amount shall be the lesser of either: 5% of any increase from the total line 14 revenue compared to the total line 14 revenue amount distributed to all school districts in fiscal year 2002; or 1.5% percent of the total line 14 distribution.

This proposal adds family literacy programs to the definition of "eligible pupils".

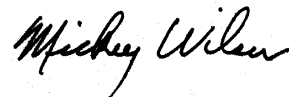
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of Secretary of State  
Administrative Rules Division  
Kansas City Missouri School District

### **Not Responding**

St Louis Public Schools



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Acting Director  
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