

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3331-01
Bill No.: HB 888
Subject: Education, Elementary and Secondary; Children and Minors
Type: Original
Date: March 1, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government*	\$0	\$0	\$0

The amount of general education funds that would be directed to alternative education programs is approximately \$17 million.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** indicated this proposal would have little fiscal impact on DESE; however, it would have significant impact on local school districts. If this proposal were in place in FY 04, approximately \$17 million would be redirected to alternative education. Funds that districts currently receive for general education needs of the district would be set aside for the dedicated purpose of establishing and funding alternative education programs.

Officials from the **Saint Louis Public Schools** indicated this proposal would have no fiscal impact on their district.

Officials from the **Kansas City Missouri School District** stated they already provide alternative education programs and a redirection of formerly unrestricted funds would have a negative fiscal impact on their district.

Officials from the **Nixa Public Schools** indicated this proposal would have a negative fiscal impact to their district.

ASSUMPTION (continued)

Officials from the **Parkway School District (PSD)** stated this proposal could have as much as a \$1.3 million fiscal impact on their district. PSD currently has an alternative program with about 100 students at their alternative high school with a \$12,714 per pupil expenditure.

Officials from the **Department of Social Services - Division of Youth Services (DYS)** stated this proposal should have no fiscal impact on DYS because alternative school programs currently exists in the communities where DYS now provides alternative day treatment programming. Unless the capacity of the public school alternative centers increases, or the criterion for enrollment in the new alternative centers is changed, DYS expects to continue to be required to address the unmet needs of DYS at-risk youth in those areas. The DYS need to establish or expand alternative school programs may be lessened.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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SCHOOL DISTRICTS

<u>Income</u> - Funds for Alternative Education Programs	\$17,000,000	\$17,000,000	\$17,000,000
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<u>Loss</u> - General Education Funding	<u>(\$17,000,000)</u>	<u>(\$17,000,000)</u>	<u>(\$17,000,000)</u>
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**ESTIMATED NET EFFECT ON
 SCHOOL DISTRICTS***

*** \$17 million represents the amount of general education funds that would be directed to alternative education programs.**

FISCAL IMPACT - Small Business

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

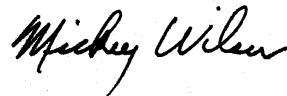
DESCRIPTION

This proposal mandates that after July 1, 2005, no school district shall receive state aid unless the district offers an alternative education program. Further, the proposal requires that one percent of the formula appropriation to the Department of Elementary & Secondary Education (DESE) shall be distributed by DESE to establish and fund alternative education programs.

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 Social Services
Division of Youth Services
Kansas City Missouri Public School District
St Louis Public Schools
Parkway C-2 School District
Nixa R-II School District



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Director
March 1, 2004