

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3753-02
Bill No.: HCS for HB 1273 & 1136
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Dept
Type: Original
Date: March 3, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> 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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** assume the proposed elimination of the summer school penalty included in last session's school funding formula will not increase the cost of the formula. Since there has been no penalty through FY06 and there has been no way to project penalties for FY07, eliminating the summer school or gifted penalty before such provisions become effective will not increase the cost of the SB 287 (2005) formula.

The proposed change in the gifted penalty included in last session's school funding formula will not increase the cost of the formula. Since there has been no penalty through FY06 and there has been no way to project penalties for FY07, changing from twenty percent to forty percent the threshold for triggering the gifted penalty before such provisions become effective will not increase the cost of the SB 287 (2005) formula.

DESE will likely incur minimal costs associated with setting up the reporting process described in this version. The cost will likely be less than \$50,000. **Oversight** assumes the minimal costs can be absorbed with existing resources; if additional resources are needed, DESE will seek funding through the budget process.

Officials from the **Poplar Bluff School District** expressed concern regarding funding for special programs or services for academically gifted students. **Oversight** assumes the language in the

ASSUMPTION (continued)

proposal regarding these programs or services is permissive, therefore associated costs would be elective.

This proposal was sent to numerous other school districts, but due to time constraints, no other responses were received.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

SECTION 162.270

This proposed legislation provides that each school district shall identify which of the district's students are academically gifted as established under the Missouri School Improvement Program. Each school may establish special programs or services for students who are identified as academically gifted. Each school district shall report annually to DESE the extent to which it is providing educational opportunities specifically designed to meet the educational needs of academically gifted students.

SECTION 163.031

In the school funding formula scheduled to go into effect July 1, 2006, if the attendance in a summer school program drops more than 15% during the phase-in period, the district will have its aid reduced proportionately. This proposed legislation removes the aid reduction for a drop

DESCRIPTION (continued)

in the number of summer school enrollments.

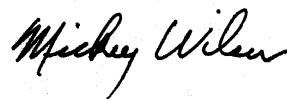
In addition, if the attendance in a gifted program drops more than 20% during the phase-in period, the district will have its aid reduced proportionately. This proposal raises that amount to 40%.

The proposal contains an emergency clause.

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
School Districts
Poplar Bluff

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 3, 2006