

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1866-05
Bill No.: HCS for HB 807 and 690
Subject: Education, Elementary and Secondary
Type: Original
Date: March 14, 2007

Bill Summary: Provides for open enrollment in schools, known as the "Students First Act".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact to the SOS office for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

According the officials from the **Department of Elementary and Secondary Education (DES)**, this proposal assigns new responsibilities to DES including the parent requested review of a district's approval of enrollment in the nonresident district.

DES is required to withhold money from the home district and send to the host district when the home district is more than three months late in making payments.

DES would require 1.0 FTE director and 1.0 FTE administrative assistant II to carry out the new responsibilities.

Oversight assumes the number of cases of parents requesting review of the open enrollment process and the number of late payments from home districts are unknown. If the number of incidents are significant, DES can request additional personnel through the budget process. It appears administrative duties resulting from this proposal would be most likely be the responsibility of the individual school districts.

DES assumes there will be little if any fiscal impact to the state aid foundation formula.

Officials from the **University of Central Missouri** and the **University of Missouri - St Louis** (charter school sponsors) stated this proposal would have no fiscal impact on their institutions..

Officials from the **Platte County R-III School District** stated this proposal could have an impact on the day to day operations of school districts.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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POLITICAL SUBDIVISIONS

<u>Cost</u> - School Districts - Administrative costs	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)
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**ESTIMATED NET EFFECT ON
POLITICAL SUBDIVISIONS**

<u>(Unknown - Could exceed \$100,000)</u>	<u>(Unknown - Could exceed \$100,000)</u>	<u>(Unknown - Could exceed \$100,000)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

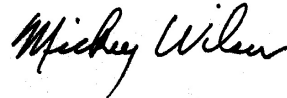
Beginning in the 2008-2009 school year, this proposal allows open enrollment of students in fully accredited school districts within 30 miles of their home district. School districts must have a policy to define class size for open enrollment purposes, using the state minimum teacher-pupil ratio. Open enrollment students will be calculated at the per-pupil amount of the home or host district for state school aid, whichever is higher. The parent or guardian of the student is responsible for the transportation to the school.

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

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office Secretary of State
 Administrative Rules Division
Charter School Sponsors
 Central Missouri University
 University of Missouri - St Louis
Platte County R-III School District

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

Mickey Wilson, CPA
Director
March 14, 2007