

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3721-01
Bill No.: HB 2481
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
Department; Teachers
Type: Original
Date: April 21, 2008

Bill Summary: Allows school districts to offer open enrollment by contract is approved by voters in a general election

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

According to officials from the **Department of Elementary and Secondary Education (DESE)**, this proposal does not appear to have a fiscal impact on the state because the cost would be a transferring of revenue from one district to another to pay for the contracted cost of educating the students from their district. Private schools can be contractors and thus public money would be transferred to private schools to educate children. The proposal creates the potential with a vote of the people in the district to have open enrollment. This could have negative effects financially on various school districts where large numbers of students are transferring out.

Officials from the **Poplar Bluff School District** stated the fiscal impact to their district is unknown, but could be significant.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

LOCAL POLITICAL SUBDIVISIONS

Income - School Districts - Increase in state aid for students transferring into districts under contract

Unknown

Unknown

Unknown

Savings - School Districts - Decrease in education expenses for students transferring to other schools by contract

Unknown

Unknown

Unknown

Loss - School Districts - State aid for students who transfer out of the district to other schools by contract

(Unknown)

(Unknown)

(Unknown)

Cost - School Districts - Education costs for students transferring into districts under contract

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON
LOCAL POLITICAL SUBDIVISIONS**

Unknown to
(Unknown)

Unknown to
(Unknown)

Unknown to
(Unknown)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

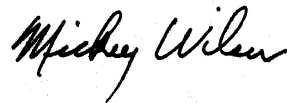
This proposed legislation establishes a procedure by which a school district or an initiative petition may place the issue of open enrollment by contract before the voters of the district to become effective the following July 1. Approval by a two-thirds majority is required. Private schools that meet certain conditions and public schools that are not in the district of residence may become contractors. The proposal specifies how contractors qualify, how the amount of the contract is to be calculated, when students may return to their district of residence, and how districts may opt out of open enrollment.

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

LMD:LR:OD (12/02)

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 style with a large, stylized 'M' and 'W'.

Mickey Wilson, CPA
Director
April 21, 2008