

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5658-01
Bill No.: HB 1629
Subject: Telecommunications; Education, Elementary and Secondary; Elementary and Secondary Education Department; Boards, Commissions, Committees, Councils
Type: Original
Date: February 13, 2012

Bill Summary: This proposal allows a student to enroll in a school district other than the student's school district of residence for the purpose of attending virtual courses or programs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
State School Moneys Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds*	\$0	\$0	\$0

***Offsetting Transfers In and Transfers Out are Unknown and (Unknown) annually.**

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposed legislation will generate the capacity for a large number of home school students and/or private parochial students to enroll in charter virtual schools. DESE cannot estimate the number of students involved, but if the Weighted Average Daily Attendance increases by only 300 students, it could cost the state \$1 million.

Officials from the **University of Missouri System** and the **University of Missouri - St Louis** assumed no fiscal impact from this proposed legislation.

Officials from the **Special School District of St Louis County (SSD)** stated it is difficult to estimate the impact of this proposed legislation. There is no way to estimate how many of the 21,230 students with IEPs would transfer to virtual schools outside St. Louis County. There would also be some expense savings due to the transfer of students, but the savings would depend on whether the district cut or reduced any staff as a result of the transfer.

Officials from the **Mexico School District** stated the fiscal impact on their district cannot be determined at this time.

In response to a similar proposal from last year (SB 329 - FN 1620-02), the following responded:

Officials from the **Northwest Missouri State University, Lincoln University, and Missouri Western State University** assumed this proposal would have no fiscal impact on their respective institutions.

Charter school sponsors **University of Central Missouri** assumed no fiscal impact and **St Louis University** anticipated neither positive nor negative fiscal impact.

Officials from the **St Louis Public School District** assumed the proposed legislation would result in a fiscal impact of \$250,000 in salaries and benefits for one full time administrator and one full time assistant to manage additional students in the program, along with funds needed to purchase supplies and equipment.

Officials from the **Blue Springs School District** stated this proposal would cost their district approximately \$6,000 for every student who would enroll in their district to participate in their virtual education programs.

ASSUMPTION (continued)

Oversight assumes the proposal is permissive to receiving schools in that it states “School districts or charter schools may enroll any virtual nonresident student.” However, a cost can be assessed against a residence district if a school district or charter school elects to provide such virtual education to non-resident students. **Oversight** assumes an (Unknown) cost to school districts.

This proposed legislation was sent to the following school districts, none of which responded to a request for fiscal impact: Branson, Columbia, Fair Grove, Francis Howell, Independence, Jefferson City, Kirksville, Lee’s Summit, Nixa, Parkway, Raytown, Sedalia, Sikeston, Silex, Spickard, Springfield, St Charles, St Joseph, Sullivan, Center, Harrisonville, North Kansas City, Raytown-Peculiar, Charleston, Calhoun, Caruthersville, Kansas City, Gilliam, Hayti, Jennings, Morgan County, Normandy, Riverview Gardens, Malta Bend, Swedeborg.

This proposal was also sent to the following charter school sponsors who did not respond to a request for fiscal impact: Kansas City Metropolitan Community College, Lindenwood University, Missouri Baptist University, Southeast Missouri University, Washington University, University of Central Missouri.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Cost</u> - Elementary and Secondary Education (DESE) - Increased state aid	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
STATE SCHOOL MONEYS FUND			
<u>Transfer In</u> - DESE - Increased state aid funding	Unknown	Unknown	Unknown
<u>Transfer Out</u> - School Districts - Increased state aid	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - School Districts - Increased state aid	Unknown	Unknown	Unknown
<u>Cost</u> - School Districts - Administrative costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
<u>FISCAL IMPACT - Small Business</u>			

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

FISCAL DESCRIPTION

This proposal allows students to enroll in a school district other than their school district of residence or a charter school for the purpose of attending virtual courses or programs.

The receiving school must admit the student based on the time of application until full capacity is reached. Once enrolled, the student may remain in the program until he or she completes the grade levels offered or withdraws. For school funding purposes, the student will be counted in the district of his or her residence, which must pay the receiving school 72.5% of the previous year's average current expenditure per average daily attendance, not to exceed the total amount due the residence district under the funding formula.

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

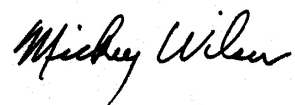
Special School District of St Louis County
Mexico
Blue Springs
St Louis Public School District

Charter School Sponsors

University of Missouri System
University of Missouri - St Louis
St Louis University
University of Central Missouri

Universities

Northwest Missouri State University
Lincoln University
Missouri Western State University



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