

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6467-01  
Bill No.: HB 2529  
Subject: Elementary and Secondary Education  
Type: Original  
Date: March 9, 2018

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Bill Summary: This proposal modifies the definition of average daily attendance in the school foundation formula.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from **Department of Elementary and Secondary Education (DESE)** assume that to forgive two days of attendance does not appear to have a significant impact on the formula. There will likely be costs involved with programming changes necessary to make calculations given the new data parameters; however, those costs will not likely be significant.

**Oversight** assumes DESE is provided with core funding to handle a certain amount of activity each year. Oversight assumes DESE could absorb the programming costs related to this proposal.

Officials from the **Office of Administration - Budget and Planning (BAP)** assume the definition of "average daily attendance" in Section 163.011 is modified to exclude hours attended by resident pupils and the hours school was in session on the two days with the lowest attendance rates for the term in the district. BAP defers to DESE for any potential impact due to this change.

Officials from the **Macon County R-IV School District** state the district is small and also held harmless, meaning that a new calculation using the method described will have little effect on revenue.

Officials from **Summersville R2 School District** assume the impact will vary depending on the district.

Officials from the **Kirksville R-III School District** assume this proposal would have a slight positive fiscal impact on the district.

Officials from the **Wellsville-Middletown R-1 School District** assume under the current funding formula this proposal will have little or no fiscal effect on the district.

Based on the various responses, **Oversight** assumes the proposal will not have a significant fiscal impact on the foundation formula distributions.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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  
Office of Administration - Budget and Planning  
Macon County R-IV School District  
Summersville R2 School District  
Kirksville R-III School District  
Wellsville-Middletown R-1 School District

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