

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3072-01  
Bill No.: HB 1487  
Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education  
Type: Original  
Date: February 14, 2020

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Bill Summary: This proposal allows for the opening of recovery charter high schools.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<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 2021	FY 2022	FY 2023
<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.



ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Local Government</b>	<b>\$0 or Unknown to (Unknown)</b>	<b>\$0 or Unknown to (Unknown)</b>	<b>\$0 or Unknown to (Unknown)</b>



## **FISCAL ANALYSIS**

### **ASSUMPTION**

The **Department of Social Services, Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Mental Health, and Joint Committee on Administrative Rules** each assume this proposal has no direct fiscal impact on their respective agencies.

Because of the consistent response from state agencies, this note will show a \$0 net direct fiscal impact to state agencies.

**Oversight** received no responses from school districts or charters estimating the fiscal impact of this proposal, and presents this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

In 2013, according to the [National Institute on Drug Abuse \(NIDA\)](#), 2.2 percent of 12th graders used alcohol on a daily basis, 6.5 percent of 12 graders used marijuana on a daily basis and 22.1 percent of high school seniors reported binge drinking. Per the NIDA, 8.6 percent of Americans needed treatment for a problem related to substance abuse in 2013.

**Oversight** assumes if 8.6 percent of the 4,172 students currently enrolled in the Kansas City Public School District (grades 9 through 12) needed substance use treatment, this could result in approximately 359 students being eligible to attend a recovery charter high school. Oversight assumes this number could be higher as non-resident students are also eligible to attend.

Based on the study, [Recovery High Schools: A Descriptive Study of Programs and Students](#), **Oversight** notes students were primarily referred to recovery high schools by treatment programs, parents and the juvenile justice system. Of the schools in the study, most had small enrollments ranging from 12 to 25 students with a median capacity of 35 students. The study indicated students reported a reduction in the use of drugs, an increase in attendance and a reduction in repeated problems with the law.

**Oversight** assumes new charter schools generally transfer state aid from public schools to charter schools, but that public schools may not see a 1:1 reduction in the fixed and variable costs associated with those students transferring out. Oversight also notes that such students recovering from substance use or dependency may not regularly attend school, or may require more expensive attention from school. Because there are no responses, and several factors that may



ASSUMPTION (continued)

save or cost the district or the charter money, this note will show an Unknown to (Unknown) net direct fiscal impact to the Kansas City School District and charter schools.

**Oversight** notes the proposal is permissive, therefore Oversight will range the fiscal impact from \$0 (a recovery charter high school is not established) to the potential fiscal impacts.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
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**SCHOOL DISTRICTS AND  
CHARTER SCHOOLS**

<u>Cost avoidance</u> - Kansas City School District cost to educate students - now attending recovery charter	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Costs</u> - Kansas City School District Tuition to charter	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
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<u>Costs</u> - Recovery Charter schools cost to educate students	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
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<u>Revenue</u> - Charter Schools Tuition from public schools and other states	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS AND CHARTER SCHOOLS</b>	<b><u>\$0 or Unknown to (Unknown)</u></b>	<b><u>\$0 or Unknown to (Unknown)</u></b>	<b><u>\$0 or Unknown to (Unknown)</u></b>
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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

This proposal allows charter schools to open in the Kansas City School District that serve students recovering from substance use disorder or diplomacy.

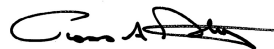
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Mental Health  
Joint Committee on Administrative Rules



Julie Morff  
Director  
February 14, 2020



Ross Strobe  
Assistant Director  
February 14, 2020