

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0096-01  
Bill No.: HB 135  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: January 12, 2015

Bill Summary: This proposal allows a school district to use a calendar based on hours of attendance, rather than hours and days of attendance, if the minimum number of hours is at least 1,080 hours of actual pupil attendance.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
DOSS Educational Improvement Fund	\$0	\$0	\$0 to (\$109,104)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 to (\$109,104)</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 to \$109,104</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Elementary and Secondary Education** assume there is no fiscal impact from this proposal.

Officials at the **Office of State Courts Administrator** assume there is no fiscal impact from this proposal.

Officials at the **Department of Social Services' Division of Youth Services (DYS)** assume §163.073 redefines a school term. It eliminates the current method of calculation that requires a certain number of days depending on a four or five day school week with an additional requirement of a minimum of one thousand forty-four hours of pupil attendance with academic instruction. It replaces the current method beginning with the 2016/2017 school year and defines a school term as one thousand and eighty hours of pupil attendance letting go of any "number of days" requirements. This new definition of a school term is then applied across impacted sections of statute, including provisions related to charter schools, inclement weather, and natural disasters and make up time.

DYS may experience impact from this proposal in a more significant way than a traditional school district. A key difference is that many DYS enrollees, because of their length of stay in a residential setting, attend only portions of a school term in a DYS school. This difference affects, for DYS more than other districts, the calculation of "full time equivalent students" and will ultimately drive down the "average daily attendance" number that is factored into funding formulas.

DYS calculates the average daily attendance (ADA) by taking the number of educational service hours for all students divided by 1,044 hours (current full time equivalent). Beginning in school year 2016/2017 the ADA shall be determined by dividing the number of educational service hours for all students by 1,080 hours (proposed full time equivalent) thus reducing the average daily attendance calculated. The average daily attendance is a critical variable in determining funding through Proposition C (Prop C), the Classroom Trust Fund, and the Education Foundation Formula (Basic Formula). As the average daily attendance determination for 2016/2017 will be utilized for funding determinations in fiscal year 2018, the division anticipates impact beginning in 2018. For this evaluation FY 2014 funding will be used to estimate future funding assuming that all other formula variables remain constant and the available funding remains the same.

ASSUMPTION (continued)

The Division received \$398,762 Classroom Trust Funding, \$519,198 Prop C funding and \$3,474,700 Basic Formula Funding totaling \$4,391,660 or \$4,546 per youth (based on 2012/2013 ADA of 966) in SFY 2014. Using the same funding level per youth in SFY 2015 and the ADA of 939 youth in 2013/2014 school year, the projected total funding of Classroom Trust, Prop C and Basic Formula would be \$4,268,694. Recalculation of SFY2015 using the new methodology will reduce the ADA to 915 due to the additional 36 hours resulting in projected funding of \$4,159,590, a loss of approximately \$109,104 per annum.

If the new calculations are implemented the Department of Social Services would receive less funding through the DOSS Educational Improvement Fund. DYS is unsure if this loss will be able to be absorbed within the existing budget. General Revenue may be required to replace all or a portion of the lost funding. Funding required would be \$0-\$109,104.

Additionally this bill repeals §171.029. This will remove some regulatory provisions for the process by which a district would implement a four day school week. The proposed focus on hours of attendance rather than days (in conjunction with the elimination of §171.029) will provide districts increased flexibility to determine their school calendars.

**Oversight** assumes the provision of this proposal, does not require General Revenue to make up the loss to the DOSS Educational Improvement Fund as suggested by DYS. Oversight will show in the fiscal note, the loss to the DOSS Educational Improvement Fund only.

**Oversight** also notes that Classroom Trust, Prop C and Basic Formula Funds not sent to DOSS would be redirected to other schools. Therefore, there would be zero net impact on the aforementioned funds. Oversight will show for fiscal note purposes that any money not distributed to DOSS would be redistributed to school districts.

Officials at the **KIPP Endeavor Academy** assume with the way the current statute is currently written schools are limited in the way they report attendance because of the 174 day minimum. With the move to just counting hours it would allow for a school with an extended day to include those hours as opposed to the current reporting in which a school must report based on student attendance during a specific portion of the day. This would just provide greater flexibility for schools.

Financial Impact based on hours 1,080, since we already run an extended day would help to either reduce the number of days we operate saving on Bus and Food Service Charges which run approximately \$2100/day for Bus Service and \$900/day in Food Service. Because we have an extended day schedule already, our School year could be shortened from 10 months to 7, saving an estimated \$94,500 for Buses and \$40,500 in Food costs.

ASSUMPTION (continued)

**Oversight** assumes that this proposal would not require KIPP Endeavor Academy to change its current schedule just how they have to report the schedule. Therefore, this proposal would not fiscally impact them.

Officials at the **Parkway School District** assume no fiscal impact as their students already attend more than 1,080.

Officials at the **Carondelet Leadership Academy, Kansas City Public Schools,** and the **Special School District of St. Louis** each assume there is no fiscal impact to their respective schools from this proposal.

Officials at the following schools: Blue Springs Public Schools, Branson Public Schools, Caruthersville School District, Charleston R-I Schools, Cole R-I Schools, Columbia Public Schools, Fair Grove Schools, Francis Howell Public Schools, Fulton Public School, Harrisonville School District, Independence Public Schools, Jefferson City Public Schools, Kirksville Public Schools, Kirbyville R-VI Schools, Lee Summit Public Schools, Macon School, Malta Bend Schools, Mexico Public Schools, Monroe City R-I Schools, Nixa Public Schools, Pattonville Schools, Raymore-Peculiar R-III Schools, Raytown School District, Riverview Gardens School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Spickard School District, Springfield School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools, Warren County R-III School District and Waynesville Public School did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>DOSS EDUCATIONAL IMPROVEMENT FUND</b>			
<u>Loss</u> - lost funding due to recalculation of average daily attendance	<u>\$0</u>	<u>\$0</u>	<u>\$0 to (\$109,104)</u>
<b>ESTIMATED NET EFFECT ON DOSS EDUCATIONAL IMPROVEMENT FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 to (\$109,104)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>LOCAL SCHOOL DISTRICTS</b>			
<u>Revenue</u> - additional funding due to recalculation of average daily attendance	<u>\$0</u>	<u>\$0</u>	<u>\$0 to \$109,104</u>
<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 to \$109,104</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, public schools are required to be in session for a minimum of 174 days and 1,044 hours. Beginning in the 2016-2017 school year, this bill changes the requirement to a minimum of 1,080 hours of actual pupil attendance with no minimum number of required school days except for kindergarten pupils who must be provided a minimum of 540 hours of actual pupil attendance with no minimum number of days.

Beginning in the 2016-2017 school year, when determining the amount of state aid to the Division of Youth Services in the Department of Social Services for educational services to elementary and secondary students who have been assigned to the division by the courts and who have been determined as inappropriate for local public school attendance, the number of full-time equivalent students must be determined by dividing 1,080 hours by the number of student-hours. A student hour must mean one hour of education services provided for one student.

Beginning in the 2016-2017 school year, each school calendar must include 36 make-up hours for possible loss of attendance due to inclement weather. A school district may be exempt from the requirement to make up school lost or canceled due to inclement weather when the district has made up the required 36 hours and half the number of additional lost or canceled hours up to 48, resulting in no more than 60 total make-up hours.

The provisions allowing a school district to establish a four-day school week are repealed. The repeal will become effective on July 1, 2016.

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

Carondelet Leadership Academy  
Department of Elementary and Secondary Education  
Department of Social Services  
    Division of Youth Services  
Kansas City Public Schools  
KIPP Endeavor Academy  
Office of State Courts Administrator  
Parkway School District  
Special School District of St. Louis



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