

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6569-01
Bill No.: HB 2593
Subject: Education, Elementary and Secondary; Children and Minors
Type: Original
Date: April 25, 2016

Bill Summary: This proposal excludes funds designated by taxpayers in an urban district as local early childhood education funds from the local tax revenue calculation used to provide funding to certain charter schools.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

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 2017	FY 2018	FY 2019
Local Government*	\$0	\$0	\$0

*Gains to some school districts and losses to charter schools net to zero.

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials at the **Department of Elementary and Secondary Education (DESE)** assume there would be no additional cost to the state. There will be a loss to those charter schools which cannot include as local revenue, those funds designated by taxpayers as early childhood education funds. DESE defers to the urban school districts regarding the extent of any funds that will remain in the district of residence rather than being distributed to the charter schools.

Oversight assumes this proposal would not fiscally impact General Revenue. However, this would result in some school districts retaining additional money while the charter school districts would lose the money. This transfer of money would be offsetting.

Officials at the **Kansas City Public Schools** assume little to no impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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SCHOOL DISTRICT FUNDS

<u>Revenue - Urban Districts</u>	Unknown	Unknown	Unknown
<u>Loss - Charter School Districts</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

ESTIMATED NET EFFECT ON SCHOOL DISTRICTS FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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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 bill excludes funds designated by taxpayers in an urban district as local early childhood education funds from the local tax revenue calculation used to provide funding to charter schools that have declared themselves as a local educational agency.

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
Kansas City Public Schools



Mickey Wilson, CPA
Director
April 25, 2016

Ross Strope
Assistant Director
April 25, 2016