

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0254-05
Bill No.: SCS for SB14
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department
Type: Original
Date: April 21, 2011

Bill Summary: This proposal establishes school enrollment options for students from unaccredited districts.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| 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 2012 | FY 2013 | FY 2014 |
| Local Government | (Unknown - Could exceed \$100,000) | (Unknown - Could exceed \$100,000) | (Unknown - Could exceed \$100,000) |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** state that students transferring from one school district to another would not increase state aid. However, there could be an indeterminable amount of increase to the state if students who had not been enrolled in the public school system now opted to enroll to take advantage of attending an adjoining school district.

This proposal includes language that would somewhat prohibit the transfer of students who had been attending private schools. The provision requires enrollment and attendance in the resident public school district in the year that a declaration to attend another school district is made, or if the pupil has enrolled and attended in the unaccredited district in school years subsequent to the year in which the declaration is made. This effectively curtails the number of private school students who could expand the ADA and create an increase in state aid. While there might be some additional cost to the state it shouldn't be great but could be over \$100,000.

Oversight assumes additional cost to the state has not been determined and for fiscal note purposes only, will assign no fiscal impact for state aid.

In response to a similar proposal (HB 763 - FN 1776-01), officials from the **Clayton School District** stated this proposal does not appear to have a negative impact on their school district finances. It appears that they would not be required to add teachers or space, special education costs would be covered by the district of residence, and tuition would be the lesser of Clayton tuition or the sending district's average cost for the prior year. The lowest St. Louis County average cost for 2009-10 was \$7,881 which is similar to the current VST reimbursement rate.

Also in response to HB 763, based on a review conducted by their CFO, officials from the **Webster Groves School District** (WGSD) assumed that there would be a minimal cost to the district of \$3,000 per student for any student coming from the Riverview Gardens School District. Based on the information provided, it is unknown how many of these students would enroll in our district. Therefore a complete fiscal note cannot be submitted. Only 8% of the funding for a student attending WGSC is provided by the state. Approximately 90% is provided by local tax payers. The cost of education to attend the WGSD is approximately \$12,000 compared to \$9,000 in the Riverview Gardens School District.

| | | | |
|---|---|---|---|
| <u>FISCAL IMPACT - State Government</u> | FY 2012 (10 Mo.) | FY 2013 | FY 2014 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2012 (10 Mo.) | FY 2013 | FY 2014 |
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Cost - School Districts - Education costs</u> | (Unknown - Could exceed <u>\$100,000</u>) | (Unknown - Could exceed <u>\$100,000</u>) | (Unknown - Could exceed <u>\$100,000</u>) |
| ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS | <u>(Unknown - Could exceed \$100,000)</u> | <u>(Unknown - Could exceed \$100,000)</u> | <u>(Unknown - Could exceed \$100,000)</u> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal changes the laws regarding enrollment options for students from school districts that have been declared unaccredited by the State Board of Education within the Department of Elementary and Secondary Education.

This proposal specifies that the school board of an unaccredited district must pay the tuition and transportation of resident pupils who attend an accredited school in another district of the same or an adjoining county. A resident pupil of an unaccredited district may attend a school in another accredited district in the same or an adjoining county if the receiving district is accredited without provision and if the student was enrolled in and attending a public school in the district during the school year when the district lost its accreditation, or years subsequent to the year in which the district lost its accreditation.

DESCRIPTION (continued)

A parent or guardian may choose to enroll his or her child in a district classified as provisionally accredited provided the district has informed the parent or guardian of the district's accreditation classification. Any district that receives transfer students under these provisions shall not be required to include those student's scores for three years.

If the pupil resides in an unaccredited district that operates a school offering the pupil's grade level of enrollment that is a magnet school or a school with an open admissions policy that has met standards on its annual performance report equivalent to the classification of accredited under the Missouri School Improvement Program for the previous year, the pupil may attend a school in another district in the same or an adjoining county only if there is insufficient enrollment capacity in such schools within the district of residence.

The rate of tuition to be charged is the lesser of the nonresident tuition established by each district, or in the absence of nonresident tuition, the lesser of the two districts' average expenditure per pupil for the most recently completed year for which data are available. The residence district shall also pay the cost of education in the receiving district for any student with an IEP accepted in the receiving district.

By June 30, 2011, each district must establish criteria for the admission of nonresident pupils from unaccredited districts. The primary criteria must be the availability of highly qualified teachers in existing classroom space. Each district must establish criteria for calculating available seats, taking into account the district's resident student population growth or decrease, such that the receiving district is not required to employ additional teachers or construct additional classrooms. In addition, resident pupils must not be displaced from the school building to which they are assigned. The receiving district will be responsible for assigning a student to a particular building.

The proposal contains an emergency clause.

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

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education
School Districts
 Clayton
 Webster Groves



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Director
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