

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1620-02  
Bill No.: SB 329  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: March 14, 2011

Bill Summary: This proposal allows students to enroll in another school district or charter school for purposes of attending virtual courses or programs.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

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

\*Offsetting Transfers In and Transfers Out are Unknown

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</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 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Local Government</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

According to officials from the **Department of Elementary and Secondary Education (DESE)** assume there could be increased costs to the state because students that may not have been attending public schools will now be counted for state aid and included in the calculation. DESE states there is no way to determine an amount, but the cost could be substantial.

Officials from the **University of Missouri System, Northwest Missouri State University, Lincoln University, and Missouri Western State University** assume this proposal would have no fiscal impact on their respective institutions.

Charter school sponsors **University of Central Missouri** assume no fiscal impact and **St Louis University** anticipated neither positive nor negative fiscal impact.

Officials from the **St Louis Public School District** assume the proposed legislation would result in a fiscal impact of \$250,000 in salaries and benefits for one full time administrator and one full time assistant to manage additional students in the program, along with funds needed to purchase supplies and equipment.

Officials from the **Blue Springs School District** state this proposal would cost their district approximately \$6,000 for every student who would enroll in their district to participate in their virtual education programs.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Elementary and Secondary Education - Increased state aid	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>STATE SCHOOL MONEYS FUND</b>			
<u>Transfer In</u> - DESE - Increased state aid funding	Unknown	Unknown	Unknown
<u>Transfer Out</u> - School Districts - Increased state aid	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - School Districts - Increased state aid	Unknown	Unknown	Unknown
<u>Cost</u> - School Districts - Administrative costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>

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 students to enroll in a school district other than their school district of residence or a charter school for the purpose of attending virtual courses or programs.

For purposes of state school aid, the student will be included in the average daily attendance of the school district of residence. The Department of Elementary and Secondary Education (DESE) must pay the district or charter school an amount equal to eighty-five percent of its tuition fee or the state adequacy target, whichever is greater. This amount cannot exceed one and twenty-five hundredths times the state adequacy target for each enrolled virtual student. In addition, if the average local tax effort per average daily attendance of the student's district of residence does not exceed eighty-five percent of the amount paid to the school district or charter school enrolling the student, DESE must pay to the general revenue fund an amount equal to ten percent of the amount of the local educational agency's tuition fee, or of the state adequacy target, whichever is greater, for each student. DESE must also withhold from the student's district of residence an amount equal to the amount paid for the virtual education plus the amount deposited in the general revenue fund.

Any institution of higher education with its primary campus located in Missouri with an approved teacher education program may sponsor virtual charter schools.

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

Elementary and Secondary Education

Colleges and Universities

Missouri Western State University

Lincoln University

Northwest Missouri State University

University of Missouri System

Charter School Sponsors

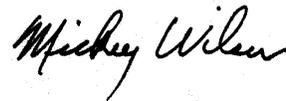
University of Central Missouri

St Louis University

School Districts

St Louis Public School District

Independence School District



Mickey Wilson, CPA

Director

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