

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0906-01
Bill No.: HB 743
Subject: Education, Elementary and Secondary; Elementary and Secondary Education
 Department; Education, Higher
Type: Original
Date: April 30, 2013

Bill Summary: This proposal requires the establishment of a process by which a student in an unaccredited district who is enrolled a public school that is not A+ designated can receive reimbursement under the A+ Schools Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	\$0 or (Unknown - Could exceed \$100,000)	\$0 or (Unknown - Could exceed \$100,000)	\$0 or (Unknown - Could exceed \$100,000)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Unknown - Could exceed \$100,000)	\$0 or (Unknown - Could exceed \$100,000)	\$0 or (Unknown - Could exceed \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0 or Unknown - Could exceed \$100,000	\$0 or Unknown - Could exceed \$100,000	\$0 or Unknown - Could exceed \$100,000

FISCAL ANALYSIS

ASSUMPTION

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume DESE would require one FTE supervisor to carry out the requirements of this proposal.

Oversight assumes the duties associated with this proposal are limited to students in unaccredited districts only. Student eligibility validation is the responsibility of the school district. Oversight assumes a full time employee is not required to establish the process for the school districts affected by the proposal. If duties increase and an a significant amount of monitoring is required, DESE may request additional personal services through the appropriations process.

Oversight further assumes it is unknown how many additional students will be eligible for and apply for the A+ program. An increase in students that qualify for A+ funding could either result in a larger appropriation for the A+ Schools Program or decreased funding per student. Oversight, for fiscal note purposes only, will show fiscal impact as \$0 (no additional appropriation - decreased funding per student) or Unknown - Could exceed \$100,000 (increased appropriation for A+ Schools Program).

ASSUMPTION (continued)

Officials from the **Kansas City Public School District** assume small administrative costs will be associated with implementing the proposed legislation, but see no long term fiscal impact.

Officials from the **Department of Higher Education** and the **Joint Committee on Administrative Rules** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Normandy** and **Riverview Gardens School Districts** did not respond to a request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Cost</u> - Department of Higher Education - Additional students in A+ Program	\$0 or (Unknown - Could exceed <u>\$100,000</u>)	\$0 or (Unknown - Could exceed <u>\$100,000</u>)	\$0 or (Unknown - Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (Unknown - Could exceed <u>\$100,000</u>)	\$0 or (Unknown - Could exceed <u>\$100,000</u>)	\$0 or (Unknown - Could exceed <u>\$100,000</u>)

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Community Colleges, Vocational & Technical Schools - Increased student enrollment	\$0 or Unknown - Could exceed <u>\$100,000</u>	\$0 or Unknown - Could exceed <u>\$100,000</u>	\$0 or Unknown - Could exceed <u>\$100,000</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or Unknown - Could exceed <u>\$100,000</u>	\$0 or Unknown - Could exceed <u>\$100,000</u>	\$0 or Unknown - Could exceed <u>\$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 bill requires the Commissioner of Education within the Department of Elementary and Secondary Education to establish, with the advice of the Commissioner of Higher Education within the Department of Higher Education, a process by which a student who is enrolled in an unaccredited district in a public high school that is not an A+ designated school who otherwise qualifies for an A+ award may apply for and receive reimbursement under the A+ Schools Program.

In addition to other qualifications, a student must attain a score of at least 18 on the English portion of the ACT test. The Commissioner of Education must designate school officers, such as guidance counselors, who will be authorized to validate a student's eligibility. The commissioner must monitor the accuracy of the validations and may revoke an individual's authority to certify eligibility if a disproportionate number of ineligible students are validated. A school district may be required to repay reimbursements made for ineligible students.

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
Department of Higher Education
Joint Committee on Administrative Rules
Office of Secretary of State
 Administrative Rules Division
Kansas City Public School District

Not Responding:

Normandy School District
Riverview Gardens School District



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April 30, 2013