

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4041-01  
Bill No.: HB 1084  
Subject: Buses; Education, Elementary and Secondary; Elementary and Secondary  
 Education Department  
Type: Original  
Date: February 3, 2014

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Bill Summary: This proposal allows for special education transportation hardship transfers.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Offsetting Savings and Costs could exceed \$100,000 per year.**

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** state there would be no additional cost to the state. The resident district would pay the cost of tuition for the student reassigned. This might represent additional cost to the district.

Officials from the **Kansas City Public School District (KCPSD)** state this proposal may have a negative fiscal impact on KCPSD; however the impact cannot be approximated until such time as the Department of Elementary and Secondary Education develops and promulgates rules outlining how they would implement the law.

Officials from the **Francis Howell School District (FHSD)** assume the fiscal impact would depend on the severity of the student's disability. FHSD receives approximately \$2,500 in state aid per Weighted Average Daily Attendance (WADA). FHSD just signed a contract with an outside agency for a student with autism for \$7,000 per month. If FHSD received a student with that level of services, they could lose \$67,500 a year. On the other end of the spectrum, the student with milder disabilities would "cost" only \$7,000 (the difference between their average cost of education and their state aid). Since these are not resident taxpayers, FHSD would not receive property tax revenue for these students.

**Oversight** assumes the district in which the pupil lives would pay the tuition of the pupil assigned. Oversight assumes if only a small number students were assigned to another district as a result of the provisions outlined in this proposal, the costs to the receiving district could exceed \$100,000 per year.

**Oversight** also assumes that a student with disabilities could have higher education costs than the regular tuition cost. As a result of students transferring to another district, the sending district could realize savings by not having the increased costs of education associated with a student with disabilities. Oversight will assume a savings to sending districts that could exceed \$100,000 per year.

Officials from the following school districts: Blue Springs, Branson, Caruthersville, Charleston R-I, Cole R-I, Columbia, Fair Grove, Fulton, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and

ASSUMPTION (continued)

Waynesville did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**SCHOOL DISTRICTS**

<u>Savings</u> - School Districts (Sending Districts) - Decreased education costs for children with disabilities	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
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<u>Costs</u> - School Districts - (Receiving Districts) - Increased education costs for children with disabilities	(Unknown - Could exceed <u>\$100,000</u> )	(Unknown - Could exceed <u>\$100,000</u> )	(Unknown - Could exceed <u>\$100,000</u> )
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<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<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

Currently, the Commissioner of Education within the Department of Elementary and Secondary Education may assign a student to a different school district when transportation to the assigned school in the district of residence poses an unusual or unreasonable hardship because of specified conditions. This bill allows the commissioner to also assign a pupil to another district located closer to his or her residence if a financial, educational, safety, or health condition affecting the student would be reasonably improved as a result of a transfer or if there is a special hardship or detrimental condition.

FISCAL DESCRIPTION (continued)

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  
School Districts  
Francis Howell  
Kansas City Public Schools

Mickey Wilson, CPA  
Director  
February 3, 2014



Ross Strope  
Assistant Director  
February 3, 2014