

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5269-02  
Bill No.: HCS for HB 1425  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: April 4, 2014

Bill Summary: This proposal requires the Department of Elementary and Secondary Education to develop a process that rewards districts that provide full-day kindergarten for Missouri School Improvement Program (MSIP) purposes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0	\$0	\$0 or (\$1,167,627)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or (\$1,167,627)</b>

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

\*Offsetting Transfers In and Out in FY 2017 would be \$0 or \$1,167,627 in FY 2017.

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 or \$1,167,627</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

According to officials from the **Department of Elementary and Secondary Education (DESE)**, this proposal has the potential to increase the formula call. However, until the formula is fully funded it will not reflect an increased cost to the state.

DESE assumes that if the formula was fully funded the formula call could increase in the following manner:

There are only three school districts in the state that do not have full day kindergarten. Students in half day Kindergarten programs are only counted as .5 FTE. The school districts are Rockwood, Lindbergh and Webster Groves.

	<u>Students</u>	<u>FTE</u>	<u>WADA</u>	<u>Additional</u>
			<u>Payment</u>	<u>State Aid</u>
Rockwood	1,179	x 0.5 = 589.5	x 1,634 =	\$ 963,243
Lindbergh	191	x 0.5 = 95.5	x 637 =	\$ 60,834
Webster Groves	300	x 0.5 = 150.0	x 957 =	<u>\$ 143,550</u>
				<u>\$1,167,627</u>

**Oversight** assumes the foundation formula may be fully funded, at the earliest, in FY 2017.

Officials from the following school districts: **Johnson County R-7, Blue Springs, Francis Howell, Parkway, Fulton, Malden, and Kansas City Public Schools** assume no fiscal impact. All of these districts already have full day kindergarten.

Officials from the following school districts: Caruthersville, Charleston R-I, Cole R-I, Columbia, Fair Grove, Harrison R-IX, Independence, Jefferson City, Kirksville, Kirbyville R-V, Lee's Summit, Malta Bend, Mexico, Monroe City R-I, Nixa, 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 Waynesville did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - DESE - Increased State School Aid	\$0	\$0	\$0 or <u>(\$1,167,627)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 or (\$1,167,627)</u></b>
<b>STATE SCHOOLS MONEY FUND</b>			
<u>Transfer In</u> - Increased State School Aid	\$0	\$0	\$0 or \$1,167,627
<u>Transfer Out</u> - School Districts - Increased State School Aid	\$0	\$0	\$0 or <u>(\$1,167,627)</u>
<b>ESTIMATED NET EFFECT ON STATE SCHOOLS MONEY FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2015	FY 2016	FY 2017
<b>POLITICAL SUBDIVISIONS</b>			
<u>Transfer In</u> - School Districts - Increased State School Aid	\$0	\$0	\$0 or <u>\$1,167,627</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 or \$1,167,627</u></b>
<u>FISCAL IMPACT - Small Business</u>			

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

### FISCAL DESCRIPTION

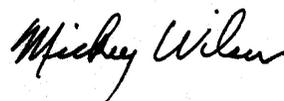
This bill requires the Department of Elementary and Secondary Education to develop a process and scoring guide that awards additional performance points on the School Improvement Program to a school district that provides free full-day kindergarten to students who qualify for free or reduced-price lunch, students under an individualized education program, and students who are identified as at-risk as specified in the bill.

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

Johnson County R-7  
Blue Springs  
Francis Howell  
Parkway  
Fulton  
Malden  
Kansas City Public Schools



Mickey Wilson, CPA  
Director  
April 4, 2014

Ross Strobe  
Assistant Director  
April 4, 2014