

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0594-01  
Bill No.: HB 959  
Subject: Education, Elementary and Secondary: Elementary and Secondary Education  
Department; Teachers  
Type: Original  
Date: March 27, 2009

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Bill Summary: Establishes a procedure by which a school district or an initiative petition may place the issue of open enrollment by contract before voters of the district

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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 2010	FY 2011	FY 2012
<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>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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)**, this proposal does not appear to have a fiscal impact on the state because the cost would be a transferring of revenue from one district to another to pay for the contracted cost of educating the students from their district. DESE assumes this proposal could have a fiscal impact on local public schools since the proposed legislation allows private schools to be contractors and thus public money could be transferred to private schools to education children. The proposal could also have a negative fiscal impact on various school districts where large numbers of students may transfer out.

Officials from the **Francis Howell School District (FHSD)** assume a receiving district could lose funds if the sending district's per pupil weighted average daily attendance is lower than that of the receiving district. FHSD officials did a sample of one district in St Charles County and the difference would be \$1,000 per student. The cost to place the issue on the ballot could cost FHSD approximately \$75,000.

Officials from the **Sikeston School District** assume there would be costs associated with an election and implementation.

**Oversight** assumes election costs would be minimal since the proposal does not require a special election for this issue.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2010  
(10 Mo.)

FY 2011

FY 2012

**LOCAL POLITICAL SUBDIVISIONS**

Income - School Districts - Increase in state aid for students transferring into districts under contract

Unknown

Unknown

Unknown

Savings - School Districts - Decrease in education expenses for students transferring to other schools by contract

Unknown

Unknown

Unknown

Loss - School Districts - State aid for students who transfer out of the district to other schools by contract

(Unknown)

(Unknown)

(Unknown)

Cost - School Districts - Education costs for students transferring into districts under contract

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON  
LOCAL POLITICAL SUBDIVISIONS**

**Unknown to  
(Unknown)**

**Unknown to  
(Unknown)**

**Unknown to  
(Unknown)**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposed legislation establishes a procedure by which a school district or an initiative petition may place the issue of open enrollment by contract before the voters of the district to become effective the following July 1. A two-thirds majority of the voters is required for approval.

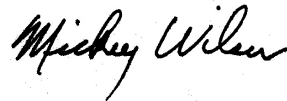
Private schools that meet certain conditions and public schools that are not in the district of residence may become contractors. The proposal specifies how contractors qualify, which students are eligible, how the amount of the contract is to be calculated, when students may return to their district of residence, and how districts may opt out of open enrollment.

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  
    Sikeston  
    Francis Howell

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, stylized 'M' and 'W'.

Mickey Wilson, CPA  
Director  
March 27, 2009