

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1776-01  
Bill No.: HB 763  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: April 12, 2011

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Bill Summary: This proposal establishes school enrollment options for students from unaccredited districts.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<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 2012	FY 2013	FY 2014
<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 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 - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** state that students transferring from one school district to another would not increase state aid. However, there could be an indeterminable amount of increase to the state if students who had not been enrolled in the public school system now opted to enroll to take advantage of attending an adjoining school district.

This proposal includes language that would somewhat prohibit the transfer of students who had been attending private schools. The provision requires enrollment and attendance in the resident public school district in the year that a declaration to attend another school district is made, or if the pupil has enrolled and attended in the unaccredited district in school years subsequent to the year in which the declaration is made. This effectively curtails the number of private school students who could expand the ADA and create an increase in state aid. While there might be some additional cost to the state it shouldn't be great but could be over \$100,000.

**Oversight** assumes additional cost to the state has not been determined and for fiscal note purposes only, will assign no fiscal impact.

Officials from the **Clayton School District** state this proposal does not appear to have a negative impact on their school district finances. It appears that they would not be required to add teachers or space, special education costs would be covered by the district of residence, and tuition would be the lesser of Clayton tuition or the sending district's average cost for the prior year. The lowest St. Louis County average cost for 2009-10 was \$7,881 which is similar to the current VST reimbursement rate.

Based on a review conducted by their CFO, officials from the **Webster Groves School District** (WGSD) assume that there would be a minimal cost to the district of \$3,000 per student for any student coming from the Riverview Gardens School District. Based on the information provided, it is unknown how many of these students would enroll in our district. Therefore a complete fiscal note cannot be submitted. Only 8% of the funding for a student attending WGSC is provided by the state. Approximately 90% is provided by local tax payers. The cost of education to attend the WGSD is approximately \$12,000 compared to \$9,000 in the Riverview Gardens School District.

Officials from **Missouri Western State University** and **Metropolitan Community College** assume no significant fiscal impact to their respective institutions.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Cost - School Districts - Education costs</u>	(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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**ESTIMATED NET EFFECT ON  
 LOCAL POLITICAL SUBDIVISIONS**

<u>(Unknown - Could exceed \$100,000)</u>	<u>(Unknown - Could exceed \$100,000)</u>	<u>(Unknown - Could exceed \$100,000)</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

This proposal changes the laws regarding enrollment options for students from school districts that have been declared unaccredited by the State Board of Education within the Department of Elementary and Secondary Education by establishing provisions for districts that are not K-8 districts. Current provisions that govern K-8 districts will remain the same, with clarification that attendance is at a public school.

A student who is enrolled and attending a public school in the district that has been declared unaccredited when the declaration is made or in a subsequent year and any student who resides in the unaccredited district and becomes eligible for kindergarten or first grade after the effective date of the bill will be eligible to transfer to an accredited district in the same or adjoining county. The tuition paid by the unaccredited district will be the lesser of the nonresident tuition established by each district or, in the absence of an established tuition, the lesser of the two districts' average expenditure per pupil for the most recent year for which data is available. The residence district must pay the cost of education in the receiving district for any transfer student with an individualized education plan. The residence district's responsibility for transportation

FISCAL DESCRIPTION (continued)

remains unchanged.

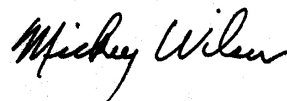
A school district must develop criteria by June 30, 2011, for the admission of nonresident pupils from unaccredited districts, based primarily upon the availability of highly qualified teachers in existing classroom space. A district must take demographic projections into account when establishing these policies so that it will not be required to hire extra teachers or build new classrooms. No resident student can be displaced by a transfer student. The receiving district will assign the transfer student to a particular building.

The proposal contains an emergency clause.

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  
    Clayton  
    Webster Groves  
Colleges and Universities  
    Metropolitan Community College  
    Missouri Western State University



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Director  
April 12, 2011