

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6009-01  
Bill No.: HB 1907  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: April 22, 2014

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Bill Summary: This proposal limits the rate of tuition that a receiving school district can charge when receiving students from unaccredited districts.

**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 expected to exceed \$100,000 each year.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** assume this proposal would have no fiscal impact on their agency.

Officials from the **Kansas City Public School District (KCPS)** estimate the proposed legislation will result in a positive fiscal impact to KCPS as a sending district by reducing the tuition cost by fifty percent. The KCPS average tuition is \$10,761 and the average student transportation cost is \$1,000.

**Oversight** assumes this proposal could result in savings to the sending school districts by limiting the amount of tuition to be paid to the receiving district to one half of the sending district tuition rate. For fiscal note purposes only, Oversight will assume a savings of Unknown - Expected to exceed \$100,000.

Officials from the **Lee's Summit School District (LSSD)** made the following assumptions regarding the fiscal impact of the proposal on their district.

Assuming the average per pupil cost is currently \$12,000 and a sending school district's tuition is \$10,000 (this is the LSSD average tuition this year, which already falls short of actual costs due to Department of Elementary and Secondary Education limitations on what expenditures can be included), the receiving district will only receive \$5,000 per student.

LSSD research indicates the conservative potential of 2,200 non resident students from a neighboring school district that would desire to attend Lee's Summit public schools. The shortfall between average costs and the \$5,000 tuition that is allowed by this proposed legislation amounts to a financial shortfall of at least \$11,000,000 just for the LSSD.

**Oversight** assumes it is unknown how many students from unaccredited districts will elect to transfer to accredited school districts. For fiscal note purposes only, Oversight will assume costs to receiving districts are (Unknown - Expected to exceed \$100,000).

Officials from following school districts did not respond to **Oversight's** request for fiscal impact: Blue Springs, Harrisonville, Independence, Johnson County R-VII, Pattonville, Raymore-Peculiar R-III; Raytown, Riverview Gardens, and Normandy.

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015	FY 2016	FY 2017
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Savings</u> - School Districts (Sending) - Reduction in required tuition from sending districts to receiving districts	Unknown - Expected to exceed \$100,000	Unknown - Expected to exceed \$100,000	Unknown - Expected to exceed \$100,000
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<u>Costs</u> - School Districts (Receiving) - Reduced tuition from sending districts to receiving districts.	(Unknown - Expected to exceed <u>\$100,000</u> )	(Unknown - Expected to exceed <u>\$100,000</u> )	(Unknown - Expected to exceed <u>\$100,000</u> )
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</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

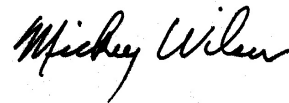
This bill limits the tuition rate charged by a receiving district for a student of a district that has become unaccredited to no more than 50% of the sending district's tuition rate as it was calculated in the year before the district's loss of accreditation.

The bill 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  
    Lee's Summit  
    Kansas City Public School District



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Director  
April 22, 2014

Ross Strope  
Assistant Director  
April 22, 2014