

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4527-01
Bill No.: HB 1498
Subject: Education, Elementary and Secondary; Elementary and Secondary Education
 Department; St. Louis County, St. Louis City
Type: Original
Date: January 20, 2016

Bill Summary: This proposal establishes a community schools grant program in St. Louis City, St. Louis County, Jackson County and Kansas City.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$691,000)	(\$691,000)	(\$691,000)
Total Estimated Net Effect on General Revenue	(\$691,000)	(\$691,000)	(\$691,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Community Schools Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Transfer in from General Revenue and grants to schools net to zero.

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government*	\$0	\$0	\$0

Optional program for local school districts - potential grants and expenses shown net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this proposal will result in unknown costs for the department and will most likely result in the need for additional FTE. Required duties include developing a state plan for community education; administering the grant process; and reviewing applications, annual reports, and financial statements. The proposal does not indicate the grant amount or indicate from where the grant funds originate. The level at which the defined school districts opt to develop a community education program cannot be estimated; therefore, costs are unknown. Given that the proposal does require each grantee receiving funds to employ 1 FTE community education director; while unknown, costs are likely to be significant and exceed \$100,000.

Oversight notes that this proposal allows the following 34 school districts to participate in creating a community school:

- 1) A school district located in a metropolitan school district located in a city not within a county. This is the St. Louis City School District.

- 2) A school district located in a county with a charter form of government and with more than nine hundred fifty thousand inhabitants. These are the Hazelwood, Ferguson-Florissant R-II, Pattonville R-III, Rockwood R-VI, Kirkwood R-VII, Lindberg, Mehlville R-IX, Parkway C-2, Affton 101, Bayless, Brentwood, Clayton, Jennings, Ladue, Maplewood-Richmond Heights, Normandy Schools Collaborative, Ritenour, Riverview Gardens, University City, Valley Park, Webster Groves and the Special School District of St. Louis County.

- 3) An urban school district located in a home rule city with more than four hundred thousand inhabitants and located in more than one county. This is the Kansas City 33 School District.

- 4) A school district located in a county with a charter form of government and with more than six hundred thousand but fewer than seven hundred thousand inhabitants. These are the Blue Springs R-IV, Fort Osage R-I, Grain Valley R-V, Grandview C-4, Hickman Mills C-1, Independence 30, Lee's Summit R-VII, Lone Jack C-6, Oak Grove R-VI and the Raytown C-2 School Districts.

Oversight assumes that it is unknown if any of these designated school districts will choose to participate in creating a community school. Oversight will, for fiscal note purposes only, assume that at least 25% of the eligible districts will participate.

ASSUMPTION (continued)

Oversight assumes that the state would be required to provide grants to pay for the community education directors. Oversight assumes that the cost of DESE hiring a director with fringe benefits, expense and equipment costs as well as professional development training is \$75,000 per director. Oversight will show the impact as 9 districts (34 eligible x 25%) participate at a cost of \$75,000 each for a total of \$675,000.

Oversight assumes this proposal requires the State to pay the expenses of the fifteen members of the Council for Community Education. This Council is limited to four meetings a year. In legislation that created a council of fifteen members meeting four times a year, DESE estimated expenses of the committee at \$16,000. Oversight will use that estimate for this committee.

Oversight assumes this proposal is unclear on the funding source for the Community Schools Fund. Oversight will assume the money will be appropriated from General Revenue.

Oversight assumes that the Community Schools Fund will distribute all the funds it receives each year.

Oversight will not reflect a net cost to school districts, other than the grants and costs of the community education director, as this program is optional for local school districts.

Officials at the **Office of the Governor** assume there would be no added cost to the Governor's Office as a result of this proposal.

Officials at the **Office of the State Treasurer** assume there is no fiscal impact from this proposal.

Officials at the **Riverview Gardens School District** assume the district would need to hire a Community School Coordinator with an estimated cost of \$101,000 (salary and benefits).

Officials at the **Grain Valley R-V School District** assume that the district would not qualify for a Community Education Director based on the district size. However, the potential impact could be significant to the district depending on how the initiative is funded. If the funding negatively impacts the foundation formula, the impact could be large.

Officials at the **Brentwood, Kansas City** and the **Parkway School Districts** each assume there is no fiscal impact from this proposal to their respective districts.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Transfer Out</u> - money appropriated to the Community Schools Fund for community education director expenses §162.667	(\$675,000)	(\$675,000)	(\$675,000)
<u>Cost</u> - Council for Community Education expenses §162.669	<u>(\$16,000)</u>	<u>(\$16,000)</u>	<u>(\$16,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$691,000)</u>	<u>(\$691,000)</u>	<u>(\$691,000)</u>
COMMUNITY SCHOOLS FUND			
<u>Transfer In</u> - from General Revenue	\$675,000	\$675,000	\$675,000
<u>Cost</u> - DESE - grants to school districts for community education directors expenses §162.667	<u>(\$675,000)</u>	<u>(\$675,000)</u>	<u>(\$675,000)</u>
ESTIMATED NET EFFECT ON COMMUNITY SCHOOLS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
SCHOOL DISTRICTS			
<u>Income</u> - Grants from DESE	\$675,000	\$675,000	\$675,000
<u>Cost</u> - of community education director	<u>(\$675,000)</u>	<u>(\$675,000)</u>	<u>(\$675,000)</u>
ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill establishes a grant program to fund community schools in the St. Louis City, St. Louis County, Kansas City, and Jackson County school districts. A community school makes its facilities available to the public, identifies community needs and resources, and initiates programs to improve the cultural, social, recreational, and educational opportunities in the community. A community education program uses public buildings as community centers operated by the district in cooperation with other groups, organizations, and governmental agencies.

The State Board of Education within the Department of Elementary and Secondary Education must develop a state plan for community education that sets forth the goals and objectives of the program and establishes a system of priorities for targeting available resources on the areas with the greatest need within a district. The department must administer a grant program to employ a full-time community education director in each of the school districts to plan and manage programs and services for community education that are targeted to the greatest educational needs in the community and to encourage cooperation among all schools in the district and to provide him or her with professional development training. To receive a grant, the school district must apply as prescribed by the department, submit a plan describing its program that has been approved by its local board, establish a council to assist with needs assessment and program priorities, and employ a full-time community education director. A grantee must file a program evaluation and financial statement annually with the department.

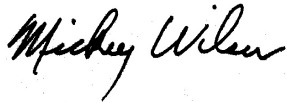
The bill establishes the Council for Community Education made up of 15 members appointed by the Governor. The Commissioner of Education within the department or his or her designee must convene the council's organizational meeting. The council may meet up to four times a year.

The provisions of the bill will expire six years after the effective date of 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

Brentwood School District
Department of Elementary and Secondary Education
Grain Valley R-V School District
Kansas City Public Schools
Office of the Governor
Office of the State Treasurer
Parkway School District
Riverview Gardens School District



Mickey Wilson, CPA
Director
January 20, 2016

Ross Strobe
Assistant Director
January 20, 2016