

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5816-01
Bill No.: HB 2352
Subject: Education, Elementary and Secondary; St. Louis City; Kansas City
Type: Original
Date: April 15, 2016

Bill Summary: This proposal requires children in the City of St. Louis and Kansas City school districts to enroll in a school by the age of five.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	\$0	(\$1,336,188)	\$0
Total Estimated Net Effect on General Revenue	\$0	(\$1,336,188)	\$0

***Oversight notes that DESE and the Office of Administration's Division of Budget and Planning were not able to provide Oversight with a projection of when the foundation formula may be fully funded. This proposal has a provisions that may not have a fiscal impact until such time as the formula is fully funded (\$167.031). Oversight, for fiscal note purposes, is showing the impact of that provision as if the formula were fully funded.**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
State School Moneys Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

* Transfer in from General Revenue and expenses net to zero.

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 5 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

FISCAL ANALYSIS

ASSUMPTION

§167.031 Enrollment of five year olds

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight notes that current statute requires parents or guardians to enroll children in school between the ages of 5 and 7. Failure of a parent or guardian to enroll a child can result in the parent or guardian being charged with a Class C misdemeanor. This proposal would require parents and guardians of children in the Kansas City Public School District and the St. Louis City Public School District to enroll their children by the age of five beginning with the 2017-2018 (FY 2018) school year.

Oversight is unable to determine how many five year old children are not currently enrolled in these school districts. Oversight assumes that should additional children be enrolled this would increase the call to the foundation formula. Oversight notes the current state adequacy target is \$6,716, however the formula amount being paid is actually \$6,110 per student. Oversight notes that if an additional 16 ($\$100,000/\$6,110$) kids are enrolled, the cost to the formula would exceed \$100,000.

Officials at the **Department of Elementary and Secondary Education (DESE)** estimate that there were 171 kids age 6 & 7 in metropolitan schools that would have been in kindergarten, but did not attend school. Under this proposal, those children would have been required to be in school. DESE is paying St. Louis \$3,703 per Weighted Average Daily Attendance. This multiplied by the 171 kids would increase, by \$633,213 ($\$3,703 \times 171$) the cost to the state. There would not be an increase in years 2 and 3 as this would be a one-time cost.

DESE estimates that there were 175 kids age 6 & 7 in Kansas City schools that would have been in kindergarten, but did not attend school. Under this proposal, those children would have been required to be in school. We are paying Kansas City \$4,017 per Weighted Average Daily Attendance. This multiplied by the 175 kids would increase, by \$702,975 ($\$4,017 \times 175$) the cost to the state. There would not be an increase in years 2 and 3 as this would be a one-time cost.

ASSUMPTION (continued)

The total cost for St. Louis and Kansas City would be \$1,336,188. However, as long as the formula is underfunded, this would not cause an increased cost to the state. The money would be redistributed among the school districts.

Oversight notes that DESE and the Office of Administration's Division of Budget and Planning were not able to provide Oversight with a projection of when the foundation formula may be fully funded. This proposal has a provision that may not have a fiscal impact until such time as the formula is fully funded. Oversight for fiscal note purposes is showing the impact of that provision as if the formula were fully funded.

Officials at the **Kansas City Public Schools** assume no negative impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Transfer Out</u> - DESE - additional children attending school	<u>\$0</u>	<u>(\$1,336,188)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$1,336,188)</u>	<u>\$0</u>
STATE SCHOOL MONEYS FUND			
<u>Transfer In</u> - from General Revenue	\$0	\$1,336,188	\$0
<u>Cost</u> - school districts expenses for additional children attending school	<u>\$0</u>	<u>(\$1,336,188)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

***Oversight notes that DESE and the Office of Administration's Division of Budget and Planning were not able to provide Oversight with a projection of when the foundation formula may be fully funded. This proposal has a provision that may not have a fiscal impact until such time as the formula is fully funded (\$167.031). Oversight, for fiscal note purposes, is showing the impact of that provision as if the formula were fully funded.**

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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.

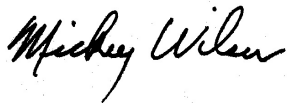
FISCAL DESCRIPTION

Beginning in school year 2017-2018, this bill requires a parent or guardian in the City of St. Louis and the Kansas City school districts who chooses to enroll a child in a public, private, parochial, or parish school or full-time equivalent attendance in a combination of schools to do so by the time the child is age five. These provisions do not apply to home-schooled children.

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
Kansas City Public Schools



Mickey Wilson, CPA
Director
April 15, 2016

Ross Strobe
Assistant Director
April 15, 2016