

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1313-01
Bill No.: HB 624
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education
Type: Original
Date: January 30, 2017

Bill Summary: This proposal authorizes the Gasconade R-II School District, which crosses county boundaries, to use the county that yields the highest dollar value modifier under the school foundation formula.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	\$0 or (\$1,076,885)	\$0 or (\$1,076,885)	\$0 or (\$1,076,885)
Total Estimated Net Effect on General Revenue	\$0 or (\$1,076,885)	\$0 or (\$1,076,885)	\$0 or (\$1,076,885)

***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 net fiscal impact until such time as the formula is fully funded (\$163.016). Oversight, for fiscal note purposes, is showing the impact of this provision under the current funding of the formula as well as if it were fully funded.**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
State School Moneys Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

* Redistribution of funds between school districts net to zero.

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0 or \$1,076,885	\$0 or \$1,076,885	\$0 or \$1,076,885

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education** assume to calculate the impact, the December 2016 formula calculation for Gasconade County R-II was calculated using the county they are located in that has the highest Dollar Value Modifier (DVM). As long as the formula is underfunded there would be no additional cost to the state. In this case the additional money is going to be shifted from all other school districts. If the formula is fully funded then it would be an additional cost to the State of \$1,076,885 per year.

Oversight notes the foundation formula is currently not fully funded. Therefore, in order to give the increased payment to Gasconade County R-II School District the money inside the State Money Fund (foundation formula) would be redistributed from other school districts.

Oversight notes that should the foundation formula be fully funded then General Revenue would be increased by the funding needed for Gasconade County R-II school district and the school district would receive additional funding.

Officials at the **Gasconade County R-II School District** assume this would have a positive impact of approximately \$1,076,883.

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 net fiscal impact until such time as the formula is fully funded. Oversight, for fiscal note purposes, is showing the impact to General Revenue of this provision under the current funding of the formula (\$0) as well as if it were fully funded (\$1,076,885).

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE			
<u>Cost</u> - Change in DVM for Gasconade County R-II School District- increased call to the foundation formula	\$0 or <u>(\$1,076,885)</u>	\$0 or <u>(\$1,076,885)</u>	\$0 or <u>(\$1,076,885)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or <u>(\$1,076,885)</u>	\$0 or <u>(\$1,076,885)</u>	\$0 or <u>(\$1,076,885)</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 net fiscal impact until such time as the formula is fully funded (\$163.016). Oversight, for fiscal note purposes, is showing the impact of this provision under the current funding of the formula as well as if it were fully funded.**

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
STATE SCHOOL MONEYS FUND			
<u>Increase</u> in Distribution to Gasconade School District- foundation formula not fully funded	Up to <u>\$1,076,885</u>	Up to <u>\$1,076,885</u>	Up to <u>\$1,076,885</u>
<u>Decrease</u> in Distribution to Other School Districts - foundation formula not fully funded	(Up to <u>\$1,076,885</u>)	(Up to <u>\$1,076,885</u>)	(Up to <u>\$1,076,885</u>)
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

***This proposal may not have a net fiscal impact until such time as the formula is fully funded and therefore, Oversight is showing the impact as up to the fully funded amount.**

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
SCHOOL DISTRICT FUNDS			
<u>Increase</u> - funding from change in Gasconade County School District DVM-increased call to foundation formula	\$1,076,885	\$1,076,885	\$1,076,885
<u>Decrease</u> - Other school districts	\$0 or <u>(\$1,076,885)</u>	\$0 or <u>(\$1,076,885)</u>	\$0 or <u>(\$1,076,885)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS	\$0 or <u>\$1,076,885</u>	\$0 or <u>\$1,076,885</u>	\$0 or <u>\$1,076,885</u>

***This proposal may not have a net fiscal impact until such time as the formula is fully funded and therefore, Oversight, for fiscal note purposes, is showing the impact of this provision under the current funding of the formula as well as if it were fully funded.**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

For any school district located in more than one county and whose headquarters are located within Owensville and located in more than one county, the county signified in the school district number shall be the county in the district with the highest dollar value modifier.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 1313-01
Bill No. HB 624
Page 6 of 6
January 30, 2017

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Gasconade County R-II School District



Mickey Wilson, CPA
Director
January 30, 2017

Ross Strobe
Assistant Director
January 30, 2017