

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4596-01  
Bill No.: HB 2137  
Subject: Elementary and Secondary Education  
Type: Original  
Date: February 16, 2018

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Bill Summary: This proposal establishes the creative classroom act.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** and the **Office of the State Auditor** assume this proposal should have no impact on their organizations.

Officials from the **Columbia Public Schools** assume the total cost is approximately \$215,000. The district assumes this proposal requires specific expenditures, and doesn't increase funding to support it. It requires the development of a process for approvals and reimbursements, adding duties to administrative staff.

Officials from the **Macon County R-IV School District** assume this proposal effectively eliminates most rural districts from the requirements of the proposal in that most rural schools have a K-6 attendance center. Effectively it would require funds to be moved to attendance centers with a specific earmark. Those funds will come from already existing, and possibly unchanging funds from the district, possibly causing funds to be diverted from current and existing expenditures. While there would be no fiscal change within a district's expenditures there would have to either be diversion of funds from one area to the attendance center(s) or a change in the budgetary funding to attendance centers to designate the required spending in this proposal, eliminating some discretionary expenditures within the attendance center's budget. This is simply moving funds around at the possible expense of one attendance center (grades 6 and up) for another (grades K-5).

Officials from the **Wellsville-Middletown R-1 School District** assume this proposal has the potential for a negative fiscal impact in redirecting discretionary funds from board-determined priorities.

Officials from the **Summersville R2 School District** assume an unknown impact, although it could be positive.

Officials from the **Kirksville R-III School District** assume this proposal would have a negative fiscal impact on the district.

**Oversight** assumes the proposal would specify how a portion of unrestricted moneys received from the state shall be used by local school districts. Oversight assumes school districts will not see an increase in expenditures, only a possible change in how these funds are spent. Oversight will assume no direct net fiscal impact to school districts. Oversight further assumes school districts can absorb these additional duties (reimbursements) with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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 the Creative Classroom Act. The bill requires school districts to distribute to each school in the district giving instruction in a grade or grades not higher than the fifth grade an amount equal to \$25 multiplied by the number of students enrolled in the school.

The bill does not apply to a school district that does not receive moneys from the state, exclusive of moneys restricted for other specific purposes by law, sufficient to distribute the amount required to each school in the district.

Teachers in schools receiving funds under this bill shall be reimbursed by their schools for supplies they purchase to facilitate creative learning environments for their students. Teachers must submit receipts for the supplies to be eligible for reimbursement, and schools shall designate an administrator to review all such receipts to ensure teachers are being reimbursed only for supplies used to establish creative learning environments. Teachers may be reimbursed for no more than an amount equal to \$25 multiplied by the number of students in the teacher's classroom.

The bill also requires any audit of a school district performed by the State Auditor to include an examination of whether teachers are properly reimbursed, as specified in 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

Department of Elementary and Secondary Education  
Office of the State Auditor  
Columbia Public Schools  
Macon County R-IV School District  
Wellsville-Middletown R-1 School District  
Summersville R2 School District  
Kirksville R-III School District

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director  
February 16, 2018