

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0888H.01I
 Bill No.: HB 151
 Subject: Education, Elementary And Secondary
 Type: Original
 Date: January 4, 2021

Bill Summary: This proposal allows school districts that share superintendents to receive additional state aid.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	\$0	(\$60,000) to could exceed (\$180,000)	(\$60,000) to could exceed (\$180,000)
Total Estimated Net Effect on General Revenue	\$0	(\$60,000) to could exceed (\$180,000)	(\$60,000) to could exceed (\$180,000)

Currently there are only two school districts sharing a superintendent (Malta Bend R-V & Hardeman R-X). Therefore, if each receives an additional \$30,000 starting in FY 2022, this would be an additional \$60,000 from the state. Oversight has ranged the fiscal note from this one example to an additional two arrangements.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Local Government	\$0	\$60,000 to could exceed \$180,000	\$60,000 to could exceed \$180,000

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** stated because DESE is unsure of how many school districts will participate, DESE will provide a range for the estimated impact of \$1,350,000 to \$8,340,000. Shown below are the estimated impacts based on different levels of participation.

- Assuming only districts under 600 ADA participate, it would cost an additional \$8,340,000 (278).
- Assuming only districts under 350 ADA participate, it would cost an additional \$5,910,000 (197).
- Assuming only districts under 200 ADA participate, it would cost an additional \$3,450,000 (115).
- Assuming only districts under 100 ADA participate, it would cost an additional \$1,350,000 (45).

Oversight received no responses from school districts estimating the fiscal impact of this proposal, and presents this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

Oversight assumes that districts who share superintendents could end up paying less overall for a superintendent, but that superintendent candidates would likely demand more money to perform superintendent duties for more than one district.

Oversight assumes the number of school districts that agree to share a superintendent will not reach the levels in DESE's response above. Oversight notes Section 168.205 (allowing the sharing of superintendents by multiple school districts) was enacted in 2014 (SB 701).

According to a DESE report, currently there is only one superintendent that is shared between school districts. The Malta Bend R-V School District and the Hardeman R-X School District have such an agreement (Paul Vaillencourt). Therefore, Oversight assumes, with this proposal, that each of those two school districts will receive an additional \$30,000 in state funding. Therefore, Oversight will present a range of \$60,000 to possibly an additional four new districts (for a total of $3 \times \$60,000 = \$180,000$) making such an arrangement.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Transfer Out</u> – GR transfer to schools that share a superintendent	\$0	(\$60,000) to could <u>exceed (\$180,000)</u>	(\$60,000) to could <u>exceed (\$180,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0	(\$60,000) to could <u>exceed (\$180,000)</u>	(\$60,000) to could <u>exceed (\$180,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
SCHOOL DISTRICTS			
<u>Transfer In</u> – State GR transfer to school districts	\$0	\$60,000 to could <u>exceed \$180,000</u>	\$60,000 to could <u>exceed \$180,000</u>
NET EFFECT ON SCHOOL DISTRICTS	\$0	\$60,000 to could <u>exceed \$180,000</u>	\$60,000 to could <u>exceed \$180,000</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Beginning July, 1 2022, this bill allows a school district that enters into an agreement with another district to share a superintendent to receive an additional \$30,000 per year in state aid for up to five years. The bill directs districts to spend the additional compensation and half of the savings from sharing a superintendent on teacher salaries or counseling services.

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

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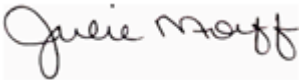
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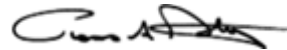
January 4, 2021

SOURCES OF INFORMATION

Department of Elementary and Secondary Education



Julie Morff
Director
January 4, 2021



Ross Strobe
Assistant Director
January 4, 2021