

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0596-04
Bill No.: HB 463
Subject: Education, Elementary and Secondary; Telecommunications; Appropriations
Type: Original
Date: March 15, 2011

Bill Summary: This proposal allows certain schools providing virtual courses to charge non-resident tuition.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** state this proposed legislation should not result in additional costs or savings to BAP. BAP defers to the Department of Elementary and Secondary Education on the fiscal impact of this proposal.

According to officials from the **Department of Elementary and Secondary Education**, this proposal would not appear to have a large fiscal impact on the state since there doesn't appear to be a provision to count these students in attendance for state aid purposes. The cost would appear to be borne by the resident district and in some cases, this could be substantial.

Officials from **St Louis University** (Charter Sponsor) state they anticipate neither positive nor negative fiscal impact.

Officials from the **University of Missouri - St Louis** (Charter Sponsor) state this proposal does not affect their charter schools.

Officials from the **University of Missouri System, Lincoln University, and Northwest Missouri State University** state this proposed legislation has no fiscal impact on their respective institutions.

Officials from **Missouri State University (MSU)** state this proposal has no fiscal impact on their University. MSU has discontinued offerings to high school students from what was the MSU Virtual School. Noting that this proposal allows an institutions of higher education to operate as a virtual charter school, MSU has no plans for doing so at this time.

Officials from the **Parkway School District** state the fiscal impact of this proposed legislation cannot be determined at this time. If private or other resident students not enrolled in Parkway went to another district for virtual instruction, the state could deduct money from Parkway which they are not currently receiving.

Oversight assumes the proposal is permissive to receiving schools in that it states "School districts or charter schools may enroll any virtual resident student." However, a cost can be assessed against a residence district if a school district or charter school elects to provide such virtual education to non-resident students. **Oversight** assumes an (Unknown) cost to school districts.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2012 (10 Mo.)	 FY 2013	 FY 2014
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost - School Districts - Tuition costs for virtual students</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal changes the laws regarding virtual schools. A nonresident student who is eligible for a free public education may attend a school district or a charter school to access virtual courses or programs and must be defined as a virtual resident student. The Department of Elementary and Secondary Education must withhold from the residence district an amount equal to the amount paid for the virtual education plus the amount deposited into the general revenue fund.

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 Administration

Division of Budget and Planning

Charter School Sponsors

University of Missouri - St Louis

St Louis University

Universities

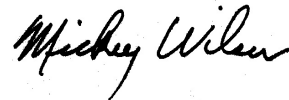
University of Missouri System

Lincoln University

Northwest Missouri State University

School Districts

Parkway



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Director
March 15, 2011