

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0189-01
Bill No.: HB 87
Subject: Education, Elementary and Secondary; Elementary and Secondary Education
 Department; Saint Louis
Type: Original
Date: January 16, 2015

Bill Summary: This proposal establishes a community schools grant program in St. Louis City, St. Louis County, Jackson County and Kansas City.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$715,000)	(\$715,000)	(\$715,000)
Total Estimated Net Effect on General Revenue	(\$715,000)	(\$715,000)	(\$715,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Community Schools Fund *	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Transfers In and costs 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 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Local Government*	\$0	\$0	\$0

Optional program for local school districts - potential grants and expenses shown to net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education** assume this proposal will result in unknown costs for the department and will most likely result in the need for additional FTE. Required duties include developing a state plan for community education; administering the grant process; and reviewing applications, annual reports, and financial statements. The proposal does not indicate the grant amount or indicate from where the grant funds originate. The level at which the defined school districts opt to develop a community education program cannot be estimated; therefore, costs are unknown. Given that the proposal does require each grantee receiving funds to employ 1 FTE community education director; while unknown, costs are likely to be significant. The fiscal impact is unknown but expected to exceed \$100,000 annually.

Oversight notes that this proposal allows the following 36 school districts to participate in creating a community school:

- 1) A school district located in a metropolitan school district located in a city not within a county. This is the St. Louis City School District.

- 2) A school district located in a county with a charter form of government and with more than nine hundred fifty thousand inhabitants. These are the Hazelwood, Ferguson-Florissant R-II, Pattonville R-III, Rockwood R-VI, Kirkwood R-VII, Lindberg, Mehlville R-IX, Parkway C-2, Affton 101, Bayless, Brentwood, Clayton, Hancock Place, Jennings, Ladue, Maplewood-Richmond Heights, Normandy Schools Collaborative, Ritenour, Riverview Gardens, University City, Valley Park, Webster Groves and the Special School District of St. Louis County.

- 3) An urban school district located in a home rule city with more than four hundred thousand inhabitants and located in more than one county. This is the Kansas City 33 School District.

- 4) A school district located in a county with a charter form of government and with more than six hundred thousand but fewer than seven hundred thousand inhabitants. These are the Fort Osage R-I, Blue Springs R-IV, Grain Valley R-V, Oak Grove R-VI, Lee's Summit R-VII, Hickman Mills C-1, Raytown C-2, Grandview C-4, Lone Jack C-6, Independence 30 and the Center 58 School Districts.

ASSUMPTION (continued)

Oversight assumes that it is unknown if any of these designated school districts will choose to participate in creating a community school. Oversight will for fiscal note purposes only assume that at least 25% of the eligible districts will participate.

Oversight assumes that the state would be required to provide grants to pay for the community education directors. Oversight assumes that the cost of DESE hiring a director with fringe benefits, expense and equipment costs as well as professional development training is \$75,000 per director. Oversight will show the impact as 9 districts (36 eligible x 25%) participate at a cost of \$75,000 each for a total of \$675,000.

Oversight assumes this proposal requires the State to pay the expenses of the fifteen members of the Council for Community Education. This Council is limited to four meetings a year. Oversight will assume the expenses of the Council do not exceed \$10,000 per meeting. Oversight will show the impact of this Council expenses as 4 meetings times \$10,000 per meeting for an impact of \$40,000.

Oversight assumes this proposal is unclear on the funding source for the Community Schools Fund. Oversight will assume the money will be appropriated from General Revenue.

Oversight assumes that the Community Schools Fund will distribute all the funds it receives each year.

Oversight will not reflect a net cost to school districts, other than the grants and costs of the community education director, as this program is optional for local school districts.

Officials at the **Office of the Governor** assume this proposal would have no added costs to the Governor's Office. However, if additional duties are placed on the office related to appointments in other legislation, there may be need for additional staff resources in future years.

Officials at the **Kansas City Public Schools** and the **Special School District of St. Louis** each assume there is no fiscal impact to their respective school from this proposal.

Officials at the **Office of State Treasurer** assume there is no fiscal impact from this proposal.

Officials at the Lee Summit Public Schools and St. Louis Public Schools did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Transfer Out</u> - money appropriated to the Community Schools Fund for community education director expenses §162.667	(\$675,000)	(\$675,000)	(\$675,000)
<u>Costs</u> - Council for Community Education expenses §162.669	<u>(\$40,000)</u>	<u>(\$40,000)</u>	<u>(\$40,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$715,000)</u>	<u>(\$715,000)</u>	<u>(\$715,000)</u>
COMMUNITY SCHOOLS FUND			
<u>Transfer In</u> - from General Revenue	\$675,000	\$675,000	\$675,000
<u>Costs</u> - DESE - grants to school districts for community education directors expenses §162.667	<u>(\$675,000)</u>	<u>(\$675,000)</u>	<u>(\$675,000)</u>
ESTIMATED NET EFFECT ON COMMUNITY SCHOOLS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
SCHOOL DISTRICTS			
<u>Income</u> - Grants from DESE	\$675,000	\$675,000	\$675,000
<u>Costs</u> - of community education director	<u>(\$675,000)</u>	<u>(\$675,000)</u>	<u>(\$675,000)</u>
ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS	<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.

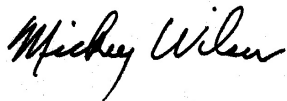
FISCAL DESCRIPTION

This proposal establishes a community schools grant program in St. Louis City, St. Louis County, Jackson County and Kansas City.

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
Office of the Governor
Office of State Treasurer
Special School District of St. Louis



Mickey Wilson, CPA
Director
January 16, 2015

Ross Strobe
Assistant Director
January 16, 2015