

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5064-01
Bill No.: HB 1636
Subject: Agriculture; Education, Elementary and Secondary
Type: Original
Date: February 2, 2016

Bill Summary: This proposal prohibits public schools that hold classes during the Missouri State Fair from receiving any state funding.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue*	Could exceed \$62,259,649	Could exceed \$62,259,649	Could exceed \$62,259,649
Total Estimated Net Effect on General Revenue	Could exceed \$62,259,649	Could exceed \$62,259,649	Could exceed \$62,259,649

***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 fiscal impact until such time as the formula is fully funded (\$163.021.7). Oversight, for fiscal note purposes, is showing the impact of those provisions as if the formula were fully funded.**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
State School Money*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Transfers in from school districts and transfers to General Revenue net to zero.

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	(Could exceed \$62,259,649)	(Could exceed \$62,259,649)	(Could exceed \$62,259,649)

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal states that no school district shall receive state aid under §163.031 (foundation formula) or any other state funding if such district holds classes during the Missouri State Fair. The Missouri State Fair is already scheduled for :

August 11, 2016 - August 21, 2016 (FY 2017)
August 10, 2017 - August 20, 2017 (FY 2018)
August 9, 2018 - August 19, 2018 (FY 2019)

Oversight notes that many school districts have also scheduled their school calendars for the next couple of years. Therefore, school districts that are currently scheduled to start before or during the Missouri State Fair will lose their state funding during the period of the fiscal note. Oversight will show the impact as Could exceed the estimate provided by the school districts (\$62,259,649)

Oversight notes that since the foundation formula is not fully funded, any loss by some districts of funding could result in other districts receiving the full amount owed. **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 fiscal impact until such time as the formula is fully funded. Oversight for fiscal note purposes is showing the impact of that provision as if the formula were fully funded.

Officials at the **Department of Agriculture** and the **Department of Elementary and Secondary Education** each assume there is no fiscal impact from this proposal to their respective departments.

Officials at the following school districts stated they start classes prior to or during the Missouri State Fair and therefore would lose the following amount of funding per this proposal if they don't change their start date:

Cassville	\$212,500
Concordia	\$1,142,000
East Newton	\$500,000 -\$800,000
Eldon	\$6,683,719
Everton	\$745,000
Grain Valley	\$17,600,000
Hawthorn	\$1,000,000
Kingston	\$300,000

ASSUMPTION (continued)

Parkway	\$10,000,000
Sarcoxic	\$4,000,000
St. Charles	\$9,000,000
St. Elizabeth	\$1,300,000
Webster Groves	\$6,856,430
West Plains	\$250,000-\$500,000
Wright City R-II	\$120,000

Officials at the **Chilhowee, Kennett** and the **Kirbyville** school districts each assume a large unknown negative impact on their respective districts.

Officials at the **Kansas City Public Schools** assume no impact as long as additional restrictions governing school attendance, start and end dates are not implemented.

Officials at the **New Haven School District** assume this would result in a loss of \$2,000,000 if the district doesn't change its start date. However, moving back the start date would cause summer school to be shortened and the district will lose \$20,000 in revenue.

Officials at the **Renick School District** assume that they would lose funding for three days next year based on the start of school that is already scheduled.

Officials at the **Shelby County R-IV School District** assume this would change their start date.

Officials at the **Fredericktown, Macon County R-IV, Pettis County R-XII, Riverview Gardens, Seymour** and the **Warren County R-III** school districts each assume there is no fiscal impact from this proposal to their respective districts.

Officials at the **Bismarck, Richland** and the **Shell Knob** school districts each responded to Oversight's request for fiscal impact but did not indicate a fiscal impact.

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Fair Grove, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fulton, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kearney R-1, King City R-1, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lewis County C-1,

ASSUMPTION (continued)

Lindbergh, Lonedell R-14, Macon County R-1, Malta Bend, Mehville, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County R-II, Osborn R-O, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Salisbury R-4, Scotland County R-I, Sedalia, Sikeston, Silex, Slater, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warrensburg R-6 and the Westview C-6 school districts did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Transfer In</u> - State School Money Fund	Could exceed <u>\$62,259,649</u>	Could exceed <u>\$62,259,649</u>	Could exceed <u>\$62,259,649</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE*	Could exceed <u>\$62,259,649</u>	Could exceed <u>\$62,259,649</u>	Could exceed <u>\$62,259,649</u>
STATE SCHOOL MONEY FUND			
<u>Transfer In</u> - from School Districts	Could exceed \$62,259,649	Could exceed \$62,259,649	Could exceed \$62,259,649
<u>Transfer Out</u> - to General Revenue	(Could exceed <u>\$62,259,649</u>)	(Could exceed <u>\$62,259,649</u>)	(Could exceed <u>\$62,259,649</u>)

ESTIMATED NET EFFECT ON THE STATE SCHOOL MONEY FUND \$0 \$0 \$0

***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 fiscal impact until such time as the formula is fully funded (§163.021.7). Oversight, for fiscal note purposes, is showing the impact of those provisions as if the formula were fully funded.**

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
SCHOOL DISTRICT FUNDS			
<u>Transfer Out</u> - School Districts - funding due to school start date	(Could exceed <u>\$62,259,649</u>)	(Could exceed <u>\$62,259,649</u>)	(Could exceed <u>\$62,259,649</u>)
ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS	(Could exceed <u>\$62,259,649</u>)	(Could exceed <u>\$62,259,649</u>)	(Could exceed <u>\$62,259,649</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 prohibits public schools that hold classes during the Missouri State Fair from receiving any state funding.

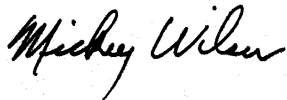
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

- Bismarck School District
- Cassville School District
- Chilhowee School District
- Concordia School District
- Department of Agriculture
- Department of Elementary and Secondary Education
- East Newton School District
- Eldon School District
- Everton School District
- Fredericktown R-I School District
- Grain Valley School District
- Kansas City Public Schools
- Kennett School District
- Kingston 42 School District
- Kirbyville School District
- Macon County R-IV School District

SOURCES OF INFORMATION (continued)

New Haven School District
Parkway School District
Pettis County R-XII School District
Renick School District
Richland School District
Riverview Gardens School District
Sarcoxie School District
Seymour School District
Shelby County R-IV School District
Shell Knob School District
St. Charles School District
St. Elizabeth School District
Warren County R-III School District
Webster Groves School District
West Plains School District
Wright City R-II School District



Mickey Wilson, CPA
Director
February 2, 2016

Ross Strope
Assistant Director
February 2, 2016