

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3861S.01I
 Bill No.: SB 1082
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education
 Type: Original
 Date: January 18, 2024

Bill Summary: This proposal allows students to attend multiple public summer school programs non-concurrently.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	(Could exceed \$45,360)	(Could exceed \$9,299)	(Could exceed \$9,531)
Total Estimated Net Effect on General Revenue	(Could exceed \$45,360)	(Could exceed \$9,299)	(Could exceed \$9,531)

*The amounts above are simply the ITSD costs to make the required changes. DESE and Oversight are unable to estimate a fiscal impact to the foundation formula. Oversight assumes the potential increase the call to the formula could exceed the \$250,000 threshold annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 167.227 Summer School

Officials from **Department of Elementary and Secondary Education (DESE)** state, while this has a potential impact on how much DESE pays out in Basic Formula, Classroom Trust Funds, Small Schools Grant, and Proposition C payments, there is no data available to predict the increase in ADA by allowing students to attend more than one summer school. DESE is unable to estimate the total cost based upon the information in the legislation.

DESE assumed there would be required changes to the Foundation Formula which will require ITSD services.

Officials from the **Office of Administration – Information Technology (ITSD)** state it is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. This project would have to be prioritized by DESE to be worked among DESE's other projects. ITSD assumes summer school/program funding is determined and allocated per the Foundation Formula (school finance) application/calculations. ITSD estimates the project would take 432.00 hours at a contract rate of \$105 for a total cost of **\$45,360** with on-going support costs of **\$9,299** in FY26 and **\$9,531** in FY27.

Oversight notes, per section 163.011, "Full-time equivalent average daily attendance of summer school students" shall be computed by dividing the total number of hours, except for physical education hours that do not count as credit toward graduation for students in grades nine, ten, eleven, and twelve, attended by all summer school pupils by the number of hours required in section 160.011 in the school term."

One full term of attendance is 1,044 hours per student. For each full term of attendance, the average state funding per ADA is approximately at \$4,274 (based on additional data provided by DESE upon further inquiry) or \$4.09 per hour of full-term attendance. For each additional hour of summer school attendance, Oversight estimates the cost to be approximately \$4.09. However, Oversight notes this approximates the cost as the state aid payment can vary greatly by district.

Oversight notes school districts reported 49,155,070 hours of summer attendance in 2023, based on information provided by DESE.

Oversight estimates to reach a revenue impact of \$250,000 would require a change in attendance hours of approximately 62,000 hours or approximately 60 ADA ($62,000 * \$4.09 = \$253,580$). Oversight notes an increase of 62,000 hours is a 0.13% increase in total attendance; therefore, Oversight assumes it is possible the impact could exceed \$250,000.

Oversight assumes an increase in ADA would result in an increased call to the foundation formula. Therefore, Oversight will show a range of impact of \$0 (no increase in ADA or not appropriated) to an unknown cost to General Revenue and increase in revenue to school districts.

Oversight notes while the foundation formula has been fully funded in recent years, Oversight unable to predict whether it will be fully funded in future fiscal years. Oversight notes that if the foundation formula is fully funded there would be an additional cost to General Revenue for this increase.

If the foundation formula is not fully funded, there would not necessarily be an additional cost to General Revenue, instead any costs for additional attendance would be borne by school districts.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but none did. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Costs</u> - DESE/ITSD - new foundation formula application calculations	(\$45,360)	(\$9,299)	(\$9,531)
<u>Costs</u> - DESE - increased ADA for summer school - §167.227	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Could exceed <u>\$45,360</u>)	(Could exceed <u>\$9,299</u>)	(Could exceed <u>\$9,531</u>)

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
SCHOOLS DISTRICTS			
<u>Costs</u> - increased summer school attendance - §167.227	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue Gain</u> - increased ADA for summer school - §167.227	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL IMPACT – Small Business

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

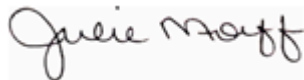
FISCAL DESCRIPTION

Under current law, no pupil shall attend summer school classes in more than one school district during any one summer. This act modifies such restriction to apply only when attendance occurs in more than one school district concurrently.

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



Julie Morff
Director
January 18, 2024



Ross Strobe
Assistant Director
January 18, 2024