COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0738-01
Bill No.: Perfected SB 204
Subject: Education, Elementary and Secondary
Type: Original
Date: April 1, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	**$0**	**$0**	**$0**

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 3 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	**$0**	**$0**	**$0**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** indicated that DESE would pay the "educational service agencies" directly which could affect calculation and distribution of school payments. They further state that the proposal has the potential to have significant fiscal impact depending on who is eligible under the proposal, whether school districts would participate, whether payments would impact the school payment, and whether the educational service agencies could set property tax rates and collect taxes. DESE indicated that local school districts would likely see costs to manage the educational service agencies.

Officials from the **Kansas City, Missouri School District (KCMSD)** indicated there would be no fiscal impact to KCMSD. The only contract for management KCMSD is with an existing corporation and they do not anticipate using a separate, as yet non-existent non-profit corporation.

Officials from the **Saint Louis Public Schools** stated that they assume there could be a cost associated with this proposal but are unable to determine the impact, if any, at this time.

Oversight assume that if school districts would utilize an "educational service agency", costs associated with managing the agencies could be offset by having less direct administrative costs. Also, since the language is permissive, **Oversight** assumes no fiscal impact.

FISCAL IMPACT - State Government	FY 2004 (10 Mo.)	FY 2005	FY 2006
	$0	**$0**	**$0**

FISCAL IMPACT - Local Government	FY 2004 (10 Mo.)	FY 2005	FY 2006
	$0	**$0**	**$0**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal authorizes school districts to designate an educational service agency, organized as a nonprofit corporation, for the purpose of developing, managing, and providing instructional services or programs to the participating district or districts.

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, Missouri School District
St Louis Public Schools

Mickey Wilson

Mickey Wilson, CPA
Director
April 1, 2003