

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3095-03
Bill No.: SCS for SB 525
Subject: Boards, Commissions, Committees and Councils; Children and Minors; Drugs and Controlled Substances; Education, Elementary and Secondary; Elementary and Secondary Education Department; Kansas City; Teachers
Type: Original
Date: February 4, 2020

Bill Summary: This proposal provides that recovery charter high schools may be operated in Kansas City for students in recovery from substance use disorder or dependency.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information or on information regarding a previous version of the proposal. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

Officials from the **Department of Social Services** and the **Department of Elementary and Secondary Education** each assume this proposal has no direct fiscal impact on their respective agencies.

Officials from the **Department of Mental Health** assume the proposal does not apply to their organization.

In response to a previous version, SB 525 (2020), officials from the **Department of Health and Senior Services** assumed the proposal will have no fiscal impact on their organization.

Because of the consistent response from state agencies, this note will show a \$0 net direct fiscal impact to state agencies.

Oversight received no responses from school districts or charters estimating the fiscal impact of this proposal, and presents this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

In 2013, according to the [National Institute on Drug Abuse \(NIDA\)](#), 2.2 percent of 12th graders used alcohol on a daily basis, 6.5 percent of 12 graders used marijuana on a daily basis and 22.1 percent of high school seniors reported binge drinking. Per the NIDA, 8.6 percent of Americans needed treatment for a problem related to substance abuse in 2013.

Oversight assumes if 8.6 percent of the 4,172 students currently enrolled in the Kansas City Public School District (grades 9 through 12) needed substance use treatment, this could result in approximately 359 students being eligible to attend a recovery charter high school. Oversight assumes this number could be higher as non-resident students are also eligible to attend.

ASSUMPTION (continued)

Based on the study, [Recovery High Schools: A Descriptive Study of Programs and Students](#), **Oversight** notes students were primarily referred to recovery high schools by treatment programs, parents and the juvenile justice system. Of the schools in the study, most had small enrollments ranging from 12 to 25 students with a median capacity of 35 students. The study indicated students reported a reduction in the use of drugs, an increase in attendance and a reduction in repeated problems with the law.

Oversight assumes new charter schools generally transfer state aid from public schools to charter schools, but that public schools may not see a 1:1 reduction in the fixed and variable costs associated with those students transferring out. Oversight also notes that such students recovering from substance use or dependency may not regularly attend school, or may require more expensive attention from school. Because there are no responses, and several factors that may save or cost the district or the charter money, this note will show an Unknown to (Unknown) net direct fiscal impact to the Kansas City School District and charter schools.

Oversight notes the proposal is permissive, therefore Oversight will range the fiscal impact from \$0 (a recovery charter high school is not established) to the potential fiscal impacts.

Promulgate Rules

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

ASSUMPTION (continued)

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
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**SCHOOL DISTRICTS AND
 CHARTER SCHOOLS**

<u>Cost avoidance</u> - Kansas City School District cost to educate students - now attending recovery charter	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Costs</u> - Kansas City School District Tuition to charter	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
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<u>Costs</u> - Recovery Charter schools cost to educate students	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
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<u>Revenue</u> - Charter Schools Tuition from public schools and other states	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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NET EFFECT ON SCHOOL DISTRICTS AND CHARTER SCHOOLS	\$0 or Unknown to <u>(Unknown)</u>	\$0 or Unknown to <u>(Unknown)</u>	\$0 or Unknown to <u>(Unknown)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§ 160 Substance dependency charter schools

This proposal allows charter schools to open in the Kansas City School District that serve students recovering from substance use disorder or diplomacy.

The proposed legislation appears to have no direct fiscal impact to state funds, and an unknown direct fiscal impact to the Kansas City School District and possible charter schools.

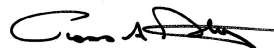
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Mental Health
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
February 4, 2020



Ross Strobe
Assistant Director
February 4, 2020