

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5254S.01I
 Bill No.: SB 1378
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
 Education; Appropriations
 Type: Original
 Date: February 22, 2024

Bill Summary: This proposal modifies the definition of "weighted average daily attendance" as used in the education funding formula.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	Could exceed (\$52,164)	Could exceed (\$227,552,924)	Could exceed (\$227,553,191)
Total Estimated Net Effect on General Revenue	Could exceed (\$52,164)	Could exceed (\$227,552,924)	Could exceed (\$227,553,191)

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	\$227,542,230	\$227,542,230

FISCAL ANALYSIS

ASSUMPTION

Officials from **Department of Elementary and Secondary Education (DESE)** state Section 163.011 (20) (a) changes weighted average daily attendance (WADA) to be fifty percent of the traditional WADA calculation and fifty percent of a new weighted membership calculation. DESE utilized a simulation which used the average of September and January Membership then traditional weighting was done on the FRL, IEP, and LEP counts. The product of this calculation was then divided by 2 and added to half of the traditional WADA for each LEA. This resulted in an increase to the projected formula WADA of 37,225.3876 and an increase to the projected FY 2025 Formula call of **\$227,542,230**. These would be ongoing costs impacted annually by fluctuations in the WADA.

Officials from the **Office of Administration (OA) - Information Technology Services Division (ITSD)** state DESE is a consolidated agency under OA-ITSD. It is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. Changes to section 163.011 would require modifications to the Foundation Formula, which is the application that determines/calculates the funding for districts, based on and in part, with the Average Daily Attendance. It's assumed these are feasible changes to include in the Foundation Formula as it is today. It is assumed that the modifications are able to be completed without additional data elements needed within the application and process.

ITSD estimates the project would require 496.80 hours at a contracted rate of \$105 for a total cost of \$52,164 in FY 2025 with ongoing support costs of \$10,694 in FY 2026, and \$10,961 in FY 2027.

DESE estimated the initial programming between \$100,000 and \$150,000 based on actual costs for similar changes in recent years that were required to be contracted out and not completed by OA-ITSD.

Oversight will reflect the costs provided by DESE and a costs that could exceed estimates provided by ITSD for fiscal note purposes.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Costs</u> - DESE/ITSD - modifications to the foundation formula	Could exceed (\$52,164)	Could exceed (\$10,694)	Could exceed (\$10,961)
<u>Costs</u> – DESE – increase call to the foundation formula	\$0	(\$227,542,230)	(\$227,542,230)
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could exceed (\$52,164)	Could exceed (\$227,552,924)	Could exceed (\$227,553,191)

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
SCHOOL DISTRICTS & CHARTER SCHOOLS			
<u>Revenue</u> - from increased call to the foundation formula	\$0	\$227,542,230	227,542,230
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS & CHARTER SCHOOLS	\$0	\$227,542,230	\$227,542,230

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act modifies the definition of "weighted average daily attendance" as used in the education funding formula by adding to such definition a weighting factor relating to school district enrollment.

"Membership" is defined in current law as the average number of students enrolled in a school district who attended school at least one day during ten days at the end of January and September.

The act defines "weighted membership" as the current law definition of "membership" multiplied by certain weighting factors relating to the number of students who fall into certain population

groups, such as the number of students who receive special educational services above a certain threshold number that is determined in a manner provided for in current law.

The act provides that a school district's weighted average daily attendance shall be calculated as the sum of 50% of such district's weighted average daily attendance as calculated in current law, plus 50% of such district's weighted membership.

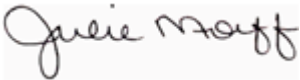
The same modification is made in the calculation of weighted average daily attendance for special school districts.

The provisions of this act shall become effective July 1, 2025.

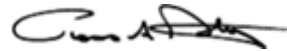
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education



Julie Morff
Director
February 22, 2024



Ross Strobe
Assistant Director
February 22, 2024