

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2021 REGULAR SESSION**

MEASURE

2021 BR NUMBER 1716

HOUSE BILL NUMBER 563

TITLE AN ACT relating to school choice.

SPONSOR Representative Chad McCoy

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: SEEK

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES			Indeterminable
NET EFFECT			(Indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of the measure is to require local school districts to adopt a nonresident pupil policy, include nonresident students in the SEEK average daily attendance count, and require the Kentucky Department of Education (KDE) to submit a report to the Legislative Research Commission regarding the equitable transfer of local effort funds.

FISCAL EXPLANATION: This legislation amends KRS 157.350 to include nonresident students in the average daily attendance for SEEK. Current law prohibits nonresident students from being included in the district’s average daily attendance unless there is a written agreement with the student’s home district.

In fiscal year (FY) 19, there were 388 nonresident students with no written agreement between their home district and the nonresident district. If this legislation is enacted, these students would be counted in the average daily attendance of the nonresident district. For illustration purposes, if 388 students were added to districts’ average daily attendance proportionally statewide, SEEK expenditures would increase by \$2.03 million in FY 22.

The average daily attendance has been set for FY 21 and FY 22 pursuant to 2020 Senate Bill 177. Therefore, there would be no fiscal impact until FY 23. The annual impact at full

implementation is indeterminable because the SEEK formula is based on various factors that change each year such as property assessments, average daily attendance, and student add-ons.

DATA SOURCE(S): KDE

PREPARER: Seth Dawson NOTE NUMBER: 78 REVIEW: JAB DATE: 3/2/2021