

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3330-01
Bill No.: HB 1173
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Dept
Type: Original
Date: February 10, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning** stated this proposal would not result in additional costs or savings to BAP. According to BAP, this proposal could reduce the cost of the foundation formula.

Officials from the **Department of Elementary and Secondary Education (DESE)** state this proposal amends the calculation of the number of eligible pupils on which a district may be paid. The eligible pupil number used in the foundation formula will be the summer school average daily attendance (ADA) for the current year, doubled, and added to the highest average daily attendance of the regular school term for the ensuing year. Currently, a district could choose to eliminate its summer school program in the current year but still be paid in the foundation formula for summer school the district had two years prior. Consequently, districts may use money generated from a summer school program intended to pay for the summer school program to instead assist funding the regular school term. The proposal will insure that all districts receive funding for their most recent summer school. If the district opts to eliminate summer school, it will only be paid on the regular term ADA.

There is no state cost to this proposal as the proposed change does not increase the number of eligible pupils on which districts may be paid through the foundation formula. There is the possibility of some state savings if districts choose to discontinue providing educational

ASSUMPTION (continued)

opportunities in the summer. However, potential savings cannot be determined as the number of districts who may choose to eliminate summer school in the summer of 2004 and beyond is not known.

Oversight assumes any moneys saved by districts not choosing to offer summer school would be distributed among the schools via the foundation formula.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</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.

DESCRIPTION

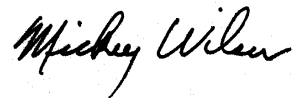
Currently, school districts may use the number of eligible pupils for the ensuing school year or either of the two preceding school years as the basis for their state school aid. This proposal limits the choice of these years to the pupil counts for the minimum school term, rather than the entire year; and beginning in the 2004-2005 school year, the summer school add-on will include only those pupils that attend summer school in the ensuing year.

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

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Administration
Division of Budget and Planning

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 10, 2004