

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4285-01
Bill No.: HB 1322
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Dept
Type: Original
Date: February 24, 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 **Department of Elementary and Secondary Education (DESE)** assume this proposal amends the calculation of the number of eligible pupils on which a district may be paid for summer school and kindergarten programs.

Beginning with the 2004-2005 school year, the summer school add-on for eligible pupils shall only include those eligible pupils that attended summer school in the current year. Also, when the current year kindergarten average daily attendance decreases from the immediately preceding year without a corresponding decrease in kindergarten enrollment for the current year compared to the immediately preceding year, the eligible pupils payment shall only include the current year kindergarten average daily attendance.

Currently, a district could choose to eliminate its summer school or full-day kindergarten program in the current year but still be paid in the foundation formula for summer school or full-day kindergarten the district had two years prior. The proposal will insure that all districts receive funding for the summer school or kindergarten instruction being provided in the current year. If the district opts to eliminate summer school or full-day kindergarten, it will only be paid on the current year summer school or kindergarten.

DESE further states there is no state cost to this proposal as the proposed change does not

ASSUMPTION (continued)

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

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

| <u>FISCAL IMPACT - State Government</u> | FY 2005 | FY 2006 | FY 2007 |
|---|------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2005 | FY 2006 | FY 2007 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal makes changes to the way summer school and kindergarten pupils are counted for state school aid beginning with the 2004-2005 school year. Only pupils who attended summer school in the current year can be counted for the summer school add-on. When kindergarten attendance decreases from the previous year without a decrease in enrollment, the eligible pupil payment for kindergarten will include only the attendance from the current year.

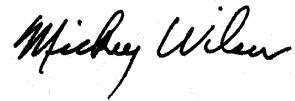
The proposal contains an emergency clause.

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

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

Mickey Wilson, CPA
Director
February 24, 2004