

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0518-01
Bill No.: HB 153
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Dept
Type: Original
Date: February 8, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> 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 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** state that because this proposal allows a transfer of monies by school districts from one fund to another fund at the local level, there is no increased cost to the state or savings to the state within the basic state aid funding for school districts. However, DESE assumes there is an indirect cost to the state in that DESE will need to collect some additional data from school districts in order to determine whether a district meets the criteria to make the transfer. This additional data includes whether the district has honored annual salary increments on the teacher salary schedules during each of the previous five years and whether or not the district reduced instructional staff due to budget concerns during any of the previous five years. Adding these items to existing department data collection instruments can be done with existing staff.

Officials from the **Salisbury R-IV School District** state this proposal will have no fiscal impact on their district.

Officials from the **Gainesville R-V, Iron County C-4, and Dent-Phelps R-III School Districts** did not respond to our request for fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<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 permits school districts meeting certain conditions to make a one-time transfer of the unrestricted balance of their teacher and incidental funds to their capital projects fund during the 2005-2006 school year. The funds cannot exceed 15% of expenditures from the operating funds during that year, and the school district must meet several benchmarks relating to support of teacher salaries and the level of local effort to raise capital funds.

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
Salisbury R-IV School District

NOT RESPONDING

Gainesville R-V
Dent-Phelps R-III
Iron County C-4

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

Mickey Wilson, CPA
Director
February 8, 2005