

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3770-02
Bill No.: HCS for HB 1180
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Dept
Type: Original
Date: March 7, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Secretary of State - Division of Elections, Department of Transportation**, and the **Department of Public Safety - Office of the Director** stated there would be no fiscal impact on their respective agencies as a result of this proposal.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this proposal for Administrative Rules is less than \$1,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

According the officials from the **Department of Elementary and Secondary Education (DESE)**, this proposal would require a review of district transportation data to determine whether a district is subject to the administrative penalty. DESE will require 1.0 FTE supervisor to perform this duty.

ASSUMPTION (continued)

Based on the 2004-05 school year transportation data being used in the 2005-06 Calculation for State Transportation Aid, a total of 238 districts transport students who live less than 1 mile from school, but only 38 incur a penalty for exceeding the 12% allowance. The total of penalties incurred by the 38 districts is approximately \$738,753. This amount is redistributed to the transportation formula.

Oversight assumes the additional administrative duties could be absorbed with existing resources; if a significant fiscal impact were to result, funds would be sought through the appropriations process.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
	<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

Under this proposed legislation, the board of education may provide transportation for pupils living less than one mile from school at the expense of the district and may prescribe reasonable rules and regulations as to eligibility of pupils for transportation, and, notwithstanding any other provisions of law, no such district shall be subject to an administrative penalty when the district demonstrates pursuant to rule established by the state board of education that such students are required to cross a state highway or county arterial in the absence of sidewalks, traffic signals, or a crossing guard and that no existing bus stop location has been changed to permit a district to evade such penalty.

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
Department of Transportation
Department of Public Safety
 Office of the Director
Office of Secretary of State
 Division of Elections
 Division of Administrative Rules

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

Mickey Wilson, CPA
Director
March 7, 2006