

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3814-01
Bill No.: HB 1704
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
Department
Type: Original
Date: February 8, 2008

Bill Summary: Increases a specific appropriation amount for small school districts.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------------|----------------------|----------------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| General Revenue | (\$5,000,000) | (\$5,000,000) | (\$5,000,000) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | (\$5,000,000) | (\$5,000,000) | (\$5,000,000) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| State School Moneys Fund* | \$0 | \$0 | \$0 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds* | \$0 | \$0 | \$0 |

***Offsetting Transfers In from General Revenue and Disbursements to School Districts total \$5,000,000 annually**

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

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|--------------------|--------------------|--------------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| Local Government | \$5,000,000 | \$5,000,000 | \$5,000,000 |

FISCAL ANALYSIS

ASSUMPTION

According to officials from the **Department of Elementary and Secondary Education**, this proposal will increase a specific appropriation to small school districts from the current \$15 million to \$20 million

| <u>FISCAL IMPACT - State Government</u> | FY 2009 (10 Mo.) | FY 2010 | FY 2011 |
|---|-----------------------------|-----------------------------|-----------------------------|
| GENERAL REVENUE | | | |
| <u>Cost</u> - DESE - Increased appropriation for small school districts | <u>(\$5,000,000)</u> | <u>(\$5,000,000)</u> | <u>(\$5,000,000)</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | <u>(\$5,000,000)</u> | <u>(\$5,000,000)</u> | <u>(\$5,000,000)</u> |
| STATE SCHOOL MONEYS FUND | | | |
| <u>Transfer In</u> - General Revenue - Increased appropriation for small school districts | \$5,000,000 | \$5,000,000 | \$5,000,000 |
| <u>Disbursements</u> - School Districts - Small school districts | <u>(\$5,000,000)</u> | <u>(\$5,000,000)</u> | <u>(\$5,000,000)</u> |
| ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2009 (10 Mo.) | FY 2010 | FY 2011 |
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Income</u> - School Districts - Specific funding for small school districts | <u>\$5,000,000</u> | <u>\$5,000,000</u> | <u>\$5,000,000</u> |
| ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS | <u>\$5,000,000</u> | <u>\$5,000,000</u> | <u>\$5,000,000</u> |

FISCAL IMPACT - Small Business

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

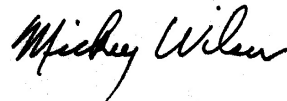
FISCAL DESCRIPTION

This proposed legislation increases the overall specific appropriation amount for small school districts from \$15 million to \$20 million with \$15 million being distributed to eligible districts in proportion to their average daily attendance. Beginning with Fiscal Year 2009, the bill also allows schools that have an average daily attendance of 351 to 449 students to receive a flat amount per student that decreases proportionately as the average daily attendance increases.

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

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
February 8, 2008