

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3814-02
Bill No.: HCS for HB 1704
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
Department
Type: Original
Date: March 4, 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	(\$8,421,905)	(\$8,421,905)	(\$8,421,905)
Total Estimated Net Effect on General Revenue Fund	(\$8,421,905)	(\$8,421,905)	(\$8,421,905)

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 \$8,421,905 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	\$8,421,905	\$8,421,905	\$8,421,905

FISCAL ANALYSIS

ASSUMPTION

§163.044.01

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

§163.044.02

Officials from DESE assume this section of the proposed legislation would result in a fiscal impact of \$3,421,905. This estimate assumes that the distribution to districts with 350 or less Average Daily Attendance (ADA) is \$15 million. This section of the proposal is directed to districts with an ADA of 351 to 449. The estimated amount per ADA used in the calculation is \$439.

<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>(\$8,421,905)</u>	<u>(\$8,421,905)</u>	<u>(\$8,421,905)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$8,421,905)</u>	<u>(\$8,421,905)</u>	<u>(\$8,422)</u>
STATE SCHOOL MONEYS FUND			
<u>Transfer In</u> - General Revenue - Increased appropriation for small school districts	\$8,421,905	\$8,421,905	\$8,421,905
<u>Disbursements</u> - School Districts - Small school districts	<u>(\$8,421,905)</u>	<u>(\$8,421,905)</u>	<u>(\$8,421,905)</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>\$8,421,905</u>	<u>\$8,421,905</u>	<u>\$8,521,905</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$8,421,905</u>	<u>\$8,421,905</u>	<u>\$8,421,905</u>

FISCAL IMPACT - Small Business

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

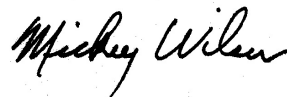
FISCAL DESCRIPTION

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 FY 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



Mickey Wilson, CPA
Director
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