

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0851-01
Bill No.: SB 173
Subject: Elementary and Secondary Education Dept; Disabilities
Type: Original
Date: January 31, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue*	\$0	(\$2,447,310)	(\$5,247,968)
Total Estimated Net Effect on General Revenue Fund*	\$0	(\$2,447,310)	(\$5,247,968)

***Subject to appropriation**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Sheltered Workshop Per Diem Revolving Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

*** Transfers In and Out of this fund are \$2,447,310 in FY 2007 and \$5,247,968 in FY 2008**

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 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	\$2,447,310	\$5,247,968

***Subject to appropriation**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer** stated this proposal would have no fiscal impact on their agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** stated this proposal would have no fiscal impact on their agency; however DESE provided the following assumptions regarding the proposal:

DESE assumes the number of workshop employees over the last three fiscal years as follows:

<u>Fiscal Year</u>	<u>Workshop Employees</u>
2002	5633
2003	5572
<u>2004</u>	<u>5531</u>
Total	16736
Average	5579

ASSUMPTION (continued)

The average of the three fiscal years is used to compute the increase in workshop payments per the schedule below:

<u>FY</u>	<u>Days</u>	<u>State Aid</u>	<u>Ave FTE</u>	<u>Projected Cost</u>	<u>Current Budget</u>	<u>Increase</u>
2007	251	\$15	5579	\$21,004,935	\$18,557,625	\$2,447,310
2008	251	\$17	5579	\$23,805,593	\$18,557,625	\$5,247,968
2009	251	\$18	5579	\$25,205,922	\$18,557,625	\$6,648,297

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Cost</u> - Disbursement to Sheltered Workshop Per Diem Revolving Fund*	\$0	(\$2,447,310)	(\$5,247,968)
ESTIMATED NET EFFECT TO GENERAL REVENUE*	<u>\$0</u>	<u>(\$2,447,310)</u>	<u>(\$5,247,968)</u>
SHELTERED WORKSHOP PER DIEM REVOLVING FUND			
<u>Transfer In</u> - General Revenue	\$0	\$2,447,310	\$5,247,968
<u>Transfer Out</u> - Sheltered Workshops	<u>\$0</u>	<u>(\$2,447,310)</u>	<u>(\$5,247,968)</u>
ESTIMATED NET EFFECT ON SHELTERED WORKSHOP PER DIEM REVOLVING FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*Subject to appropriation

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
SHELTERED WORKSHOP			
<u>Income</u> - Increased per diem payments*	<u>\$0</u>	<u>\$2,447,130</u>	<u>\$5,247,968</u>
NET EFFECT ON SHELTERED WORKSHOPS*	<u>\$0</u>	<u>\$2,447,130</u>	<u>\$5,247,968</u>

***Subject to appropriation**

FISCAL IMPACT - Small Business

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

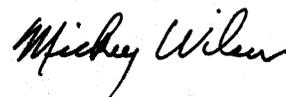
DESCRIPTION

This proposal creates a graduated increase in payments to sheltered workshops. Currently, the workshops are reimbursed at a rate of thirteen dollars multiplied by the number of six-hour or longer days worked by handicapped workers. This proposal increases this payment so that in fiscal year 2007, the workshops will be reimbursed at a rate of fifteen dollars multiplied by the number of six-hour or longer days worked by handicapped workers; in fiscal year 2008, the amount is seventeen dollars; and, beginning July 1, 2008 (fiscal year 2009) and thereafter, the workshops are reimbursed at a rate of eighteen dollars multiplied by the number of six-hour or longer days worked by handicapped workers.

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
Office of State Treasurer



Mickey Wilson, CPA
Director

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