

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1866-01
Bill No.: SJR 20
Subject: Education, Elementary and Secondary; Bonds, General Obligation
Type: Original
Date: March 7, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$0	(\$19,335)	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	(\$19,335)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Political Subdivisions	\$0	\$0	\$0 to (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0 to (Unknown)

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)** made the following assumptions regarding this proposal:

The proposal would increase the aggregate bond limit of school districts by billions of dollars. The actual effects of this proposal at the local level are dependent on the actions of the local school board in each district presenting bond issues to the voters and the actions of their local voters in approving or defeating proposed bond issues.

School districts cannot enter into general obligation bond debt without a supermajority voter approval. That supermajority level depends upon which election the issue is presented to the voters.

DESE officials further stated this proposal would have no fiscal impact on their agency.

In response to an identical proposal from this session (HJR 20), officials from the **Office of the Secretary of State (SOS)** assume statewide newspaper publication of state statutes cost approximately \$1,289 per column inch based on an estimate provided by the Missouri Press Service. Three printings are required by the Constitution and state statute; therefore publication cost would total \$3,867 per column inch. SOS estimates the total number of column inches for

ASSUMPTION (continued)

this amendment to be 5 inches including title header and certification paragraph. (\$3,867 x 5 = \$19,335). Costs are based on 2004 figures and are subject to change.

Officials from the **Parkway** and **Saint Louis Public Schools** state this proposal would have no fiscal impact on their district.

Officials from the **Poplar Bluff** and **Columbia School Districts** and stated this proposal would have a positive fiscal impact on their districts.

In response to an identical proposal from this session (HJR 20), officials from the **Salisbury School District** stated this proposal could potentially create an additional \$1,759,077 debt for their district. Officials from the **Nixa School District** assumed this proposal would have a positive fiscal impact on their district.

Oversight assumes that, upon passage of the constitutional amendment, bond issue elections would not be held until the later half of FY 2007, with implementation not occurring until FY 2008.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE FUND			
<u>Cost</u> - Secretary of State			
Publication costs	\$0	(\$19,335)	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$19,335)</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
SCHOOL DISTRICTS			
<u>Cost</u> - Increased Bond Capacity			
	<u>\$0</u>	<u>\$0</u>	\$0 to <u>(Unknown)</u>
NET EFFECT ON SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0 to (Unknown)</u>

FISCAL IMPACT - Small Business

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

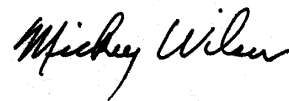
DESCRIPTION

This resolution proposes a constitutional amendment to elevate the allowable level of bonded indebtedness for school districts from 15% to 20%.

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 Secretary of State
Division of Elections
School Districts
Poplar Bluff
Parkway
Saint Louis
Columbia
Nixa
Salisbury



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Director
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