

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3315-02
Bill No.: SB 644
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Dept
Type: Original
Date: January 10, 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 3 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

According to officials from the **Department of Elementary and Secondary Education**, the proposed revision to the summer school penalty included in last session's school funding formula will not increase the cost of the formula. This proposal decreases the penalty to a district whose summer school average daily attendance is significantly lower than the 2005 summer school average daily attendance. Since there has been no reduction through FY06 and there has been no way to project penalties for FY07, reducing the penalty before such provision becomes effective will not increase the cost of the SB 287 (2005) formula.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	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

Currently, the phase-in period of the SB 287 (2005) formula contains a provision that reduces current year funding for any district that decreases its summer school average daily attendance below 15% of the district's 2005-2006 summer school average daily attendance. The level of such funding reduction is pegged to the district's drop in summer school attendance from the 2005-2006 summer school attendance.

This proposal alters the aforementioned policy by phasing the threshold for allowable decreases in summer school attendance upward in intervals corresponding to the percent of state aid districts will receive based on their 2005-2006 payment amount derived from the SB 380 (1993) formula. Further, the proposal applies the reduction only to the percent reduction that is in excess of the threshold rather than the reduction from the base 2005-2006 summer school amount.

This proposal contains an emergency clause with an effective date of July 1, 2006.

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



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Director
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