

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3620-01  
Bill No.: SB 642  
Subject: Elementary and Secondary Education Department; Disabilities  
Type: Original  
Date: January 25, 2006

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue*		(\$2,370,835)	(\$5,163,963)
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>\$0</b>	<b>(\$2,370,835)</b>	<b>(\$5,163,963)</b>

\* Subject to appropriation

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Sheltered Workshop Per Diem Revolving Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on Other State Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Transfers In and Out of this fund are \$2,370,835 in FY 2008 and \$5,163,963 in FY 2009

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$2,370,835</b>	<b>\$5,163,963</b>

\* Subject to appropriation

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of State Treasurer (STO)** state this proposal will have no fiscal impact on STO.

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>
2003	5,572
2004	5,541
<u>2005</u>	<u>5,580</u>
Total	16,693
Average	5,564

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>
2008	251	\$15	5564	\$20,948,460	\$18,557,625	\$2,370,835
2009	251	\$17	5564	\$23,741,588	\$18,557,625	\$5,163,963
2010	251	\$18	5564	\$25,138,152	\$18,557,625	\$6,560,527

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**GENERAL REVENUE**

<u>Cost</u> - Disbursement to Sheltered Workshop Per Diem Revolving Fund*	\$0	(\$2,370,835)	(\$5,163,963)
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<b>ESTIMATED NET EFFECT TO GENERAL REVENUE*</b>	<b><u>\$0</u></b>	<b><u>(\$2,370,835)</u></b>	<b><u>(\$5,163,963)</u></b>
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**SHELTERED WORKSHOP PER DIEM REVOLVING FUND**

<u>Transfer In</u> - General Revenue	\$0	\$2,370,835	\$5,163,963
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<u>Costs</u> - Sheltered Workshops	\$0	(\$2,370,835)	(\$5,163,963)
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<b>ESTIMATED NET EFFECT ON SHELTERED WORKSHOP PER DIEM REVOLVING FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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**\*Subject to appropriation**

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>SHELTERED WORKSHOP</b>			
<u>Income</u> - Increased per diem payments*	<u>\$0</u>	<u>\$2,370,835</u>	<u>\$5,163,963</u>
<b>NET EFFECT ON SHELTERED WORKSHOPS*</b>	<b><u>\$0</u></b>	<b><u>\$2,370,835</u></b>	<b><u>\$5,163,963</u></b>

**\*Subject to appropriation**

FISCAL IMPACT - Small Business

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

DESCRIPTION

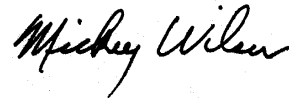
This proposal creates a graduated increase in payments to sheltered workshops. Currently, the workshops are reimbursed at a rate of thirteen dollars multiplied by the number of six-hour or longer days worked by handicapped workers. This act increases this payment so that, by July 1, 2009, and thereafter, the workshops are reimbursed at a rate of eighteen dollars multiplied by the number of six-hour or longer days worked by handicapped workers. For each handicapped worker employed by a sheltered workshop for less than a six-hour day, the workshop shall receive a percentage of the eighteen dollars based on the percentage of the six-hour day worked by the handicapped employee.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 3620-01  
Bill No. SB 642  
Page 5 of 5  
January 25, 2006

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA  
Director  
January 25, 2006