

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3720-01
Bill No.: SB 831
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Dept
Type: Original
Date: February 3, 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

Officials from the **Department of Elementary and Secondary Education** assume 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 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 | FY 2008 | FY 2009 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| | | | |
|--|-------------------|-------------------|-------------------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2007 | 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 formula contains a provision that reduces current-year funding for any district that decreases its summer school average daily attendance below 15% of that 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.

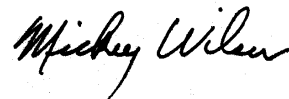
This proposed legislation adjusts the aforementioned policy by applying the 15% reduction threshold to an annually adjusted figure relative to the population variations school districts experience from year to year.

The 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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