

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4547-01
Bill No.: SB 970
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Dept
Type: Original
Date: February 27, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$0 to Unknown- Expected to be less than \$100,000)	(\$0 to Unknown- Expected to be less than \$100,000)	(\$0 to Unknown- Expected to be less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(\$0 to Unknown- Expected to be less than \$100,000)	(\$0 to Unknown- Expected to be less than \$100,000)	(\$0 to Unknown- Expected to be less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
State School Moneys Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds*	\$0	\$0	\$0

***Offsetting Transfers In and Costs are (\$0 to Unknown-Expected to be less than \$100,000)**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 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

Offsetting Income and Losses are (\$0 to Unknown-Expected to be Less than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

According to officials from the **Department of Elementary and Secondary Education (DESE)**, there is a potential unknown cost as a result of this proposal. Replacing the 2004-05 amount of fines with a decreased amount will increase the state cost of the formula. DESE has no way to estimate the amount of decrease in fines that might occur in any district.

Officials from the **Office of State Courts Administrator** were unable to determine if there have been any decreases in fine collection. After December, 2007 they will be able to track that information but will have no historical data prior to that date.

Oversight assumes, according to Reports of the Public Schools of Missouri and annual reports from county clerks, that fine and escheat receipts have been relatively flat, with a more significant increase in 2005 (annual reports from county clerks). **Oversight** further assumes that decreases in fine receipts, if any, would be less than \$100,000 per year.

FISCAL IMPACT - State Government

FY 2007

FY 2008

FY 2009

GENERAL REVENUE

Cost - Elementary and Secondary
 Education - Increase in state aid to
 schools to offset decrease in fines

(\$0 to Unknown- Expected to be less than <u>\$100,000</u>)	(\$0 to Unknown- Expected to be less than <u>\$100,000</u>)	(\$0 to Unknown- Expected to be less than <u>\$100,000</u>)
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**ESTIMATED NET EFFECT ON
 GENERAL REVENUE**

<u>(\$0 to Unknown- Expected to be less than \$100,000)</u>	<u>(\$0 to Unknown- Expected to be less than \$100,000)</u>	<u>(\$0 to Unknown- Expected to be less than \$100,000)</u>
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STATE SCHOOL MONEYS FUND

Transfer In - Increased state aid for
 schools

\$0 to Unknown- Expected to be less than \$100,000	\$0 to Unknown- Expected to be less than \$100,000	\$0 to Unknown- Expected to be less than \$100,000
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Cost - Distribution to schools

(\$0 to Unknown- Expected to be less than <u>\$100,000</u>)	(\$0 to Unknown- Expected to be less than <u>\$100,000</u>)	(\$0 to Unknown- Expected to be less than <u>\$100,000</u>)
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**ESTIMATED NET EFFECT ON
 STATE SCHOOL MONEYS FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
SCHOOL DISTRICTS			
<u>Income</u> - Increased state aid	\$0 to Unknown- Expected to be less than \$100,000	\$0 to Unknown- Expected to be less than \$100,000	\$0 to Unknown- Expected to be less than \$100,000
<u>Loss</u> - Decreased fine income	(\$0 to Unknown- Expected to be less than <u>\$100,000</u>)	(\$0 to Unknown- Expected to be less than <u>\$100,000</u>)	(\$0 to Unknown- Expected to be less than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<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

When calculating the local effort component of a district's state aid calculation, the foundation formula utilizes information from fiscal year 2005. In subsequent years, this figure is adjusted to include any increase in the amount received for school purposes from fines.

This proposed legislation adds a provision which would adjust the local effort figure to include any decrease in the amount received for school purposes from fines.

Further, the proposal grants hold harmless districts an additional payment equal to the decrease, if any, in the amount of revenue the district receives from fines in the current year from the revenue the district received from fines in fiscal year 2005.

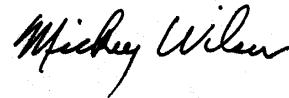
This proposal contains an emergency clause with an effective date of July 1, 2006.

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

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SOURCES OF INFORMATION

Elementary and Secondary Education Dept
Office of State Courts Administrator

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 27, 2006