

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2488-01
Bill No.: SB 625
Subject: Education, Elementary and Secondary; Elementary and Secondary Education
Department
Type: Original
Date: April 10, 2007

Bill Summary: Modifies the definition of "weighted average daily attendance" in calculating state aid.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$378,751,748)	(\$555,502,564)	(\$732,253,380)
Total Estimated Net Effect on General Revenue Fund	(\$378,751,748)	(\$555,502,564)	(\$732,253,380)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
State School Moneys Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds*	\$0	\$0	\$0

***Offsetting Transfers In and Out are \$378,751,748 in FY 08; \$555,502,564 in FY 09; \$732,253,380 in FY 10**

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$378,751,748	\$555,502,564	\$732,253,380

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** provided the following calculations to demonstrate the increased cost resulting from this proposal:

	FY 06 FRL*> Threshold	FRL Weight Factor	FRL weight calculation	State Adequacy Target	FRL Weighted x State Adequacy Target
Current §163.011(20)	165,114.3799	0.25	41,278.5950	6117	\$ 252,501,165
Proposed §163.011(20)	165,114.3799	1.50	247,671.5699	6117	\$1,515,006,993

*FRL = Free and reduced lunch

	FY 08 - 30% of FRL Weighted x State Adequacy Target	FY 09 - 44% of FRL Weighted x State Adequacy Target	FY 10 - 58% of FRL weighted x State Adequacy Target
Current §163.011(20)	\$ 75,750,350	\$111,100,513	\$146,450,676
Proposed §163.011(20)	\$454,502,098	\$666,603,077	\$878,704,056
Increased Cost	\$378,751,748	\$555,502,564	\$732,253,380

FISCAL IMPACT - State Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

GENERAL REVENUE

Cost - DES - Increased State Aid (\$378,751,748) (\$555,502,564) (\$732,253,380)

ESTIMATED NET EFFECT ON GENERAL REVENUE

(\$378,751,748) **(\$555,502,564)** **(\$732,253,380)**

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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STATE SCHOOL MONEYS FUND

<u>Transfer In</u> - General Revenue - Increased State Aid	\$378,751,748	\$555,502,564	\$732,253,380
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<u>Transfer Out</u> - Distribution to School Districts	(\$378,751,748)	(\$555,502,564)	(\$732,253,380)
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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 2008 (10 Mo.)	FY 2009	FY 2010
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POLITICAL SUBDIVISIONS

<u>Income</u> - School Districts - Increased State Aid	<u>\$378,751,748</u>	<u>\$555,502,564</u>	<u>\$732,253,380</u>
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u><u>\$378,751,748</u></u>	<u><u>\$555,502,564</u></u>	<u><u>\$732,253,380</u></u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

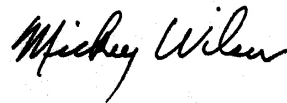
Currently, "weighted average daily attendance" as used in calculating state aid is defined as the average daily attendance plus the product of .25 multiplied by the free and reduced lunch pupil count that exceeds the free and reduced lunch threshold, plus a number of other calculations. This proposal increases the multiplier of .25 to one and five tenths.

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

Department of Elementary and Secondary Education

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

Mickey Wilson, CPA
Director
April 10, 2007