

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0395-02  
Bill No.: SCS for SB 117  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: March 18, 2009

Bill Summary: Requires the Department of Elementary and Secondary Education to recalculate state school aid for Riverview Gardens School District to correct an error made by the school district.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>       |                      |                      |                      |
|---|----------------------|----------------------|----------------------|
| FUND AFFECTED   | FY 2010              | FY 2011              | FY 2012              |
| General Revenue   | (\$2,122,588)        | (\$3,701,473)        | (\$3,930,491)        |
| <b>Total Estimated Net Effect on General Revenue Fund</b> | <b>(\$2,122,588)</b> | <b>(\$3,701,473)</b> | <b>(\$3,930,491)</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>        |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2010    | FY 2011    | FY 2012    |
| State School Moneys Fund*                               | \$0        | \$0        | \$0        |
| <b>Total Estimated Net Effect on Other State Funds*</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

**\*Offsetting Transfers In and Out**

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 2010</b> | <b>FY 2011</b> | <b>FY 2012</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 FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2010</b> | <b>FY 2011</b> | <b>FY 2012</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

- 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).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2010</b>     | <b>FY 2011</b>     | <b>FY 2012</b>     |
| <b>Local Government</b>                    | <b>\$2,122,588</b> | <b>\$3,701,473</b> | <b>\$3,930,491</b> |

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**FISCAL ANALYSIS**

ASSUMPTION

According to officials from the **Department of Elementary and Secondary Education**, the district impacted by this proposal is Riverview Gardens (096-111). Based on data available for the FY09 Basic Formula calculation for the district, the estimated increase to the district by year compared to current law is:

|       |                    |   |             |   |  |
|-------|--------------------|---|-------------|---|--|
| FY 07 | \$2,353,235        |   |             |   |  |
| FY 08 | \$2,400,148        |   |             |   |  |
| FY 09 | \$2,373,930        |   |             |   |  |
| FY 10 | <u>\$1,363,037</u> |   |             |   |  |
|       | \$8,490,350        |   |             |   | To be paid in equal amounts in FY10, FY11, FY12 and FY13 |
|       | \$8,490,350        |   |             |   | divided by 4 = \$2,122,588                               |
| FY 10 | \$2,122,588        |   |             |   |  |
| FY 11 | \$1,578,885        | + | \$2,122,588 | = | \$3,701,473  |
| FY 12 | \$1,807,903        | + | \$2,122,588 | = | \$3,930,491  |
| FY 13 | \$2,036,921        | + | \$2,122,588 | = | \$4,159,509  |

**Officials from the Riverview Gardens School District did not respond to a request for fiscal note.**

| <u>FISCAL IMPACT - State Government</u>  | FY 2010<br>(10 Mo.)         | FY 2011                     | FY 2012                     |
|--|-----------------------------|-----------------------------|-----------------------------|
| <b>GENERAL REVENUE</b>   |                             |                             |                             |
| <u>Cost - Department of Elementary and Secondary Education - Increased state aid</u> | <u>(\$2,122,588)</u>        | <u>(\$3,701,473)</u>        | <u>(\$3,930,491)</u>        |
| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>                                       | <b><u>(\$2,122,588)</u></b> | <b><u>(\$3,701,473)</u></b> | <b><u>(\$3,930,491)</u></b> |

**STATE SCHOOL MONEYS FUND**

|   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|
| <u>Transfer In - General Revenue - Increased state aid</u>              | \$2,122,588          | \$3,701,473          | \$3,930,491          |
| <u>Transfer Out - Distribution to Riverview Gardens School District</u> | <u>(\$2,122,588)</u> | <u>(\$3,701,473)</u> | <u>(\$3,930,491)</u> |
| <b>ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND</b>                 | <b><u>\$0</u></b>    | <b><u>\$0</u></b>    | <b><u>\$0</u></b>    |

| <u>FISCAL IMPACT - Local Government</u>                                 | FY 2010<br>(10 Mo.)       | FY 2011                   | FY 2012                   |
|---|---------------------------|---------------------------|---------------------------|
| <b>LOCAL POLITICAL SUBDIVISIONS</b>                                     |                           |                           |                           |
| <u>Income - Riverview Gardens School District - Increased state aid</u> | <u>\$2,122,588</u>        | <u>\$3,701,473</u>        | <u>\$3,930,491</u>        |
| <b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>             | <b><u>\$2,122,588</u></b> | <b><u>\$3,701,473</u></b> | <b><u>\$3,930,491</u></b> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposed legislation requires the Department of Elementary and Secondary Education to recalculate the state school aid for the Riverview Gardens School District to correct an error by the district in placing funds received by the state for school aid for fiscal year 2006 in the incidental fund, rather than the capital projects fund. The sum of the amounts due to the school district after recalculation for fiscal years 2007-2010 will be divided and distributed to the school district in equal amounts in fiscal years 2010-2013.

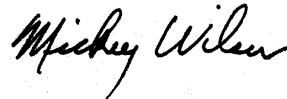
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

NOT RESPONDING

**Riverview Gardens School District**



Mickey Wilson, CPA  
Director  
March 18, 2009