

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1156-01
Bill No.: Truly Agreed To and Finally Passed HB 373
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Department
Type: Original
Date: May 26, 2009

Bill Summary: This proposal establishes the General Education Development (GED) Revolving Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Education Development (GED) Revolving Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Offsetting fee income and costs exceed \$100,000 annually

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** state this proposal will have no fiscal impact on their agency or on local school districts.

Officials from the **Office of State Treasurer (STO)** state that the STO will invest the moneys held in this fund in the same manner as all other state funds. The fund will continue to maintain its separate fund balance, but will be included within the state investment pool.

Oversight assumes, based on information from the GED website and officials from the GED Testing Section, that income from fees will cover the costs of GED testing. 12,207 people were tested statewide in FY 2008. The application fee is \$20 and the test administration fee is \$20, resulting in fee income of at least \$488,280 for FY 2008. It is unknown how many people may make an application but not take the test. There is also a \$15 fee for duplicate certificates. There has been a steady increase in the number taking the test since FY 2003. For fiscal note purposes only, **Oversight** will show offsetting income and costs in excess of \$100,000 in the General Education Development (GED) Revolving Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL EDUCATIONAL DEVELOPMENT (GED) REVOLVING FUND			
<u>Income</u> - Fees from GED test applicants and test administration fees	Exceeds \$100,000	Exceeds \$100,000	Exceeds \$100,000
<u>Costs</u> - Expenses related to GED test administration	(Exceeds \$100,000)	(Exceeds \$100,000)	(Exceeds \$100,000)
ESTIMATED NET EFFECT ON GENERAL EDUCATIONAL DEVELOPMENT (GED) REVOLVING FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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.

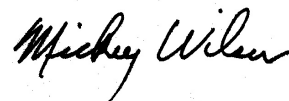
FISCAL DESCRIPTION

This proposed legislation creates the General Educational Development (GED) Revolving Fund to be administered by the Commissioner of Education. The source of funds will be fees charged to GED test applicants. After appropriation, the moneys in the fund will be used for the costs of test administration, which are specified in the proposal. All moneys collected in cost-recovery activities will be credited to the fund, moneys remaining at the end of the biennium will not revert to the General Revenue Fund, and any accruing interest will be credited to the GED Revolving Fund annually.

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
Office of State Treasurer



Mickey Wilson, CPA
Director
May 26, 2009