

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6161-01
Bill No.: Truly Agreed To and Finally Passed SB 907
Subject: Education, Elementary and Secondary; Boards, Commissions, Committees, Councils
Type: Original
Date: June 4, 2014

Bill Summary: This proposal allows the Carthage School District to transfer unrestricted funds from the incidental fund to the capital projects fund to complete student safety-related capital projects.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
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 school districts.

Officials from the **Carthage School District (CSD)** state that, as of this date they are approaching the maximum allowable transfer from the Incidental Fund (Fund 1) to the Capital Projects Fund (Fund 4) for the construction of a new Early Childhood Center in the district. CSD needs more money in Fund 4 for safety and security projects that have been identified through a year-long community engagement process.

If this legislation were passed, it would enable CSD to spend additional funds from their district's carryover balances for Capital Projects in the area of safety and security.

Currently CSD is projecting a carryover balance in Fund 1 of 34.40% (\$13.4 million) after they have made the allowable transfers from Fund 1 to Fund 4.

If allowed to do so, CSD will transfer funds from Fund 1 to Fund 4, not to exceed the 20% fund balance limit established in this bill. A 20% balance represents a surplus balance of \$7.8 million.

Oversight assumes this would only be a transfer from one fund to another within the Carthage School District accounts and would not have a direct fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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

The proposed legislation appears to have no direct fiscal impact.

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
Carthage School District



Mickey Wilson, CPA
Director
June 4, 2014

Ross Strobe
Assistant Director
June 4, 2014

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