

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2538-01
BILL NO.: SB 654
SUBJECT: Education, Elementary and Secondary: CPI Adjustment
TYPE: Original
DATE: January 18, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
State School Moneys	(\$23,000,000)	(\$23,000,000)	(\$23,000,000)
Total Estimated Net Effect on <u>All</u> State Funds	(\$23,000,000)	(\$23,000,000)	(\$23,000,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$23,000,000	\$23,000,000	\$23,000,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** estimated the proposal would increase the cost of funding the State Schools Moneys Fund by \$20.0 to \$26.0 million for hold harmless districts. The midpoint of \$23.0 million was used for purposes of this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

STATE SCHOOL MONEYS FUND

Cost-Department of Elementary and Secondary Education (DESE)

State Aid	<u>(\$23,000,000)</u>	<u>(\$23,000,000)</u>	<u>(\$23,000,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

SCHOOL DISTRICTS

Income School Districts

State Aid	<u>\$23,000,000</u>	<u>\$23,000,000</u>	<u>\$23,000,000</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.

DESCRIPTION

Beginning with the 2000-2001 school year, no school district would receive less revenue per eligible pupil than the district received in the 1999-2000 school year times the cumulative change in the general price level as measured by the consumer price index.

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

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Department of Elementary and Secondary Education

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
January 18, 2000