

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3020-02
BILL NO.: SB 766
SUBJECT: Education, Elementary and Secondary: Alternative Schools
TYPE: Original
DATE: January 31, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
State School Moneys	(\$11,435,580)	(\$11,778,647)	(\$12,132,007)
Total Estimated Net Effect on <u>All</u> State Funds	(\$11,435,580)	(\$11,778,647)	(\$12,132,007)

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	(\$13,976,820)	(\$14,396,125)	(\$14,828,008)

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** estimate the fiscal impact as follows:

1. In FY 1999, districts statewide reported 5,430 pupils were expelled or denied enrollment. For purposes of this fiscal note, it is assumed that this is the number of students that would be expelled or denied enrollment each year.
2. An unknown number of these pupils could potentially be enrolled in an alternative school upon written request.
3. Average per pupil cost expenditures for the state are \$6,000. An alternative school would cost approximately 30% more. Therefore, average per pupil cost for these students is estimated to be \$7,800.
4. If all of these children reenrolled in an alternative school, the added cost is estimated to be \$42,354,000 (5,430 x \$7,800).
5. This amount is believed to represent the upper range of potential fiscal impact because it has been assumed that 100% of students would reenroll. Additionally, the per pupil expenditure amount reflects costs for an entire year, but it is likely that many students would be expelled sometime during the school year. Therefore, this amount is being adjusted downward by 40% to account for these factors:
 $\$42,354,000 \times .60 = \$25,412,400.$
6. It is assumed that roughly 45% of this amount would come from state sources (\$11,435,580); and 55% of this amount would come from local and county sources (\$13,976,820).
7. These amounts are rounded up by 3% for inflation for FY 2002 and 2003.

	SSMF	Local/County	Total
FY 2001	\$11,435,580	\$13,976,820	\$25,412,400
FY 2002	\$11,778,647	\$14,396,125	\$26,174,772
FY 2003	\$12,132,007	\$14,828,008	\$26,960,015

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

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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Cost-Department of Elementary and
 Secondary Education (DESE)

State Aid for Alternative Education	<u>(\$11,435,580)</u>	<u>(\$11,778,647)</u>	<u>(\$12,132,007)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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SCHOOL DISTRICTS

Income-School Districts

State Aid for Alternative Education	\$11,435,580	\$11,778,647	\$12,132,007
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Cost-School Districts

Alternative Education	(\$25,412,400)	(\$26,174,772)	(\$26,960,015)
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ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>(\$13,976,820)</u>	<u>(\$14,396,125)</u>	<u>(\$14,828,008)</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

The proposal would require school districts to provide for alternative education services, upon written request by the pupil or the pupil's parent or guardian, for a resident pupil expelled or denied enrollment. School districts would annually report to DESE the total number of students expelled during the school year and the number of students denied readmission or enrollment.

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 stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
January 31, 2000