

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3316-01
BILL NO.: SB 754
SUBJECT: Education, Elementary and Secondary: County School Fund
TYPE: Original
DATE: January 21, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
State School Moneys	(\$26,000,000 to \$30,000,000)	(\$26,000,000 to \$30,000,000)	(\$26,000,000 to \$30,000,000)
Total Estimated Net Effect on <u>All</u> State Funds	(\$26,000,000 to \$30,000,000)	(\$26,000,000 to \$30,000,000)	(\$26,000,000 to \$30,000,000)

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	\$26,000,000 to \$30,000,000	\$26,000,000 to \$30,000,000	\$26,000,000 to \$30,000,000

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)** assume the proposal could potentially increase the cost of the basic state aid formula by approximately \$26 to \$30 million. Currently, the revenue from the county school fund as placed in the Teachers Fund is a deduction from the state cost (Line 3 of the formula). If local boards have the option of placing the money in the Capital Projects Fund, it is anticipated that most boards will choose to place the money in the Capital Projects Fund so that equipment can be purchased and renovations or additions to the physical plant can be made. Therefore, if the county school fund money is placed in the Capital Projects Fund by the district, it would not be a deduction in the basic state aid formula and the state would have to replace that money if a proration factor of 1.00 is maintained. That amount in FY 2000 is \$26 million and generally has been between \$26 to \$30 million.

<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	(\$26,000,000 to <u>\$30,000,000</u>)	(\$26,000,000 to <u>\$30,000,000</u>)	(\$26,000,000 to <u>\$30,000,000</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	\$26,000,000 to <u>\$30,000,000</u>	\$26,000,000 to <u>\$30,000,000</u>	\$26,000,000 to <u>\$30,000,000</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

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The proposal would require moneys received from the county school fund be placed to the credit of the fund designated by the school board, rather than the Teachers' Fund.

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

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 21, 2000