

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3975-02
BILL NO.: SCS For SB 926
SUBJECT: Education, Elementary and Secondary: State Aid
TYPE: Original
DATE: March 6, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
State School Moneys*	(\$11,500,000)	(\$11,500,000)	(\$11,500,000)
Total Estimated Net Effect on <u>All</u> State Funds	(\$11,500,000)	(\$11,500,000)	(\$11,500,000)

*Maximum cost estimated by DESE.

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
School Districts	\$11,500,000	\$11,500,000	\$11,500,000

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 Line 10 amount for FY 2001 is not available. Therefore, the percentage change can not be estimated by DESE. DESE officials estimated the maximum cost based on the following assumptions:

- (a) All FY 2000 hold harmless districts would receive the maximum GTB increase in FY 2001 which is 6.63%;
- (b) All hold harmless districts would have the same number of payment eligible pupils in FY 2001 as in FY 2000.

Based on these assumptions, the maximum increased cost is estimated to be \$11.5 million.

Note: The actual cost would be somewhat less because not all FY 2000 hold harmless districts would receive the full 6.63% increase in FY 2001 because of the Line 10 increase.

<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>(\$11,500,000)</u>	<u>(\$11,500,000)</u>	<u>(\$11,500,000)</u>
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*Maximum cost estimated by DESE.

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

SCHOOL DISTRICTS

Income-School Districts

State Aid	<u>\$11,500,000</u>	<u>\$11,500,000</u>	<u>\$11,500,000</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 revise state school aid to “hold harmless” districts.

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



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Director
March 6, 2000