

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1377-01
Bill No.: Perfected SB 353
Subject: Education, Elementary and Secondary: Aid
Type: Original
Date: March 27, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
School Districts	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of **Department of Elementary and Secondary Education** stated that the proposal would allow school districts to propose tax increases which would be phased in over more than one year. Districts would have a voluntary roll back until the increases were fully implemented; however, district tax rates would be higher than those for the previous year and they would still be given credit for reassessment add-ons in the Foundation Formula.

The proposal could increase the cost to fully fund the Foundation Formula; however, officials of the Department of Elementary and Secondary Education have no way of estimating the number of school districts that would propose phased-in tax increases (or whether the voters would approve those increases).

They also noted that calculated levies would not be eliminated due to increased voluntary rollbacks; therefore, the proposal would not ever decrease the cost of fully funding state aid.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Cost</u> - Increased Transfers to State School Moneys Fund	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>
STATE SCHOOL MONEYS FUND			
<u>Income</u> - Increased Transfers from General Revenue Fund	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> - Increased Distributions to School Districts	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2002 (10 Mo.)	 FY 2003	 FY 2004
SCHOOL DISTRICTS			
<u>Income</u> - Increased State Aid	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would modify the definition of operating levy for school purposes in 163.011(13). Currently, the reassessment add-on must be eliminated in the state aid formula when a school district increases its voluntary rollback. This proposal would allow the add-on to be applied as long as a district's actual tax rate did not decrease. (The actual tax rate means the adjusted tax rate in the Incidental and Teachers Funds, combined.)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education



Jeanne Jarrett, CPA
Director
March 27, 2001