

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3783-02
Bill No.: SB 890
Subject: Elementary and Secondary Education Dept; Capital Improvements
Type: Original
Date: February 5, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Building Revolving Fund	(\$2,100,000)	\$0	\$0
School Building Construction and Renovation Fund	\$2,100,000	(\$0 to Unknown)*	(\$0 to Unknown)*
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$0 to Unknown)	(\$0 to Unknown)

*Subject to appropriation

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts	\$0	(\$0 to Unknown)	(\$0 to Unknown)

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer** indicated this proposed legislation would have no impact on their agency. They did report that the balance in the School Building Revolving Fund had a balance, as of January 31, 2002, of \$4,638,155.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as 16 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$984 for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials of **Department of Elementary and Secondary Education (DES)** note that the proposal does not indicate a funding source, amount per year, or number of years of funding needs. For fiscal note purposes, DESE estimated an average need of \$150,000,000 per year over a ten year period.

DESE would request a Director and an Administrative Assistant and related expense and equipment as minimal staff needed to begin to carry out provisions of this proposal if sufficient moneys are found to allow a grant program. The Department would request additional resources as more money was made available for the program.

Oversight estimates that the School Building Revolving fund would transfer about \$4,638,155 to the School Building Construction and Renovation Fund on August 28, 2002. Oversight also notes that the Department of Elementary and Secondary Education has not yet made any loans from the School Building Revolving Fund because the Fund balance is not large enough to finance projects.

Oversight assumes that unless some source of additional revenue to the School Building Construction and Renovation Fund is identified, the Department would not need additional resources.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
SCHOOL BUILDING CONSTRUCTION AND RENOVATION FUND			
<u>Income</u> - Transfer from School Building Revolving Fund	\$4,638,155	\$0	\$0
<u>Costs</u> - Matching Grants to School Districts	<u>\$0</u>	(\$0 to <u>Unknown</u>)*	(\$0 to <u>Unknown</u>)*
ESTIMATED NET EFFECT ON SCHOOL BUILDING CONSTRUCTION FUND	<u>\$4,638,155</u>	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>

***Subject to appropriation**

**SCHOOL BUILDING REVOLVING
FUND**

<u>Cost</u> - Transfer to School Building Construction and Renovation Fund	<u>(\$4,638,155)</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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SCHOOL DISTRICTS

<u>Income</u> - Grants	\$0	\$0 to Unknown	\$0 to Unknown
<u>Costs</u> - Grant Matches	\$0	(\$0 to Unknown)	(\$0 to Unknown)
Construction and Renovations	<u>\$0</u>	(\$0 to <u>Unknown</u>)	(\$0 to <u>Unknown</u>)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0</u>	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>

FISCAL IMPACT - Small Business

Small businesses could be impacted with an increase in construction related business as a result of this proposal.

DESCRIPTION

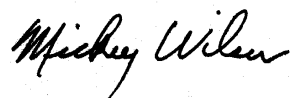
This proposed legislation eliminates the School Building Revolving Fund and creates the School Building Construction and Renovation Fund. All moneys in the School Building Revolving Fund on August 28, 2002, would be transferred to the School Building Construction and Renovation Fund.

The proposal would provide priorities for projects to receive grants and specify that facilities built or renovated with grant funds remain the responsibility of school 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
Office of Secretary of State
Administrative Rules Division
Office of State Treasurer



Mickey Wilson, CPA
Acting Director
February 5, 2002