

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 121** HLS 051ES 352
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Sub. Bill For.:
 Proposed Amd.:

Date: November 12, 2005 8:23 AM	Author: CRANE
Dept./Agy.: Education	
Subject: Recovery School District	Analyst: Mary Kathryn Drago

SCHOOLS EG NO IMPACT See Note Page 1 of 1

Provides for the transfer, operation, and management of certain schools into the Recovery School District, expands the authority of the recovery district, and provides for the duration of the transfer (Item #8)

The proposed legislation expands the authority of the Recovery School District (RSD) such that schools with a school performance score below the state average operating under the jurisdiction and direction of a school district that is in academic crisis shall be transferred to the RSD. A district in academic crisis is defined as one in which for the 04-05 school year has more than 30 schools that are academically unacceptable or more than 50% of its students attend schools that are academically unacceptable pursuant to the School and District Accountability Program. Schools transferred to the RSD due to the conditions being met in the proposed legislation shall remain under the jurisdiction of the RSD for at least five years not including the school year in which the transfer occurred if the transfer occurred during a school year. A school may remain in the RSD for another five years depending on the action taken by the Board of Elementary and Secondary Education. The transferring school system may retain a 10% balance of the associated state Minimum Foundation Program (MFP) funding and local revenues.

EXPENDITURES	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Currently, there is a director and assistant director housed in the Department of Education (DOE) for the administration of the current Recovery School District. The DOE notes that additional staff may be required to administer the expanded program. However, the funding required for the additional administration would be paid out of funding retained by the Recovery School District. Schools that are transferred into the Recovery School District retain State, Local and Federal funding associated with the particular school to run the school and educate the students.

Note: The transferring district is allowed to retain a 10% balance of the associated state MFP funding and local revenues due the Recovery School District. The 10% balance retained must be used to pay retiree health insurance costs and board administrative costs. If there are insufficient funds to transfer to the RSD after all state funds are reduced from the transferring district, the transferring district must transfer a sufficient amount of money from local funds to make up the deficit to the RSD. If there are insufficient local funds to make up the deficit to the RSD, the transferring district shall keep the 10% balances and the RSD shall receive less funding than allowed. The statute does not require the State to appropriate the difference between the funding the transferring district forwards and any remaining deficit.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules

13.5.1 >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

House

6.8(F) >= \$500,000 Annual Fiscal Cost

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk

H. Gordon Monk
Legislative Fiscal Officer