

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 93** HLS 051ES 304
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Sub. Bill For.:
 Proposed Amd.:

Date: November 16, 2005 6:07 PM	Author: SCALISE
Dept./Agy.: Education	Analyst: Mary Kathryn Drago
Subject: Recovery School District	

SCHOOLS/DISTRICTS RE NO IMPACT See Note Page 1 of 1

Provides an additional means by which public elementary and secondary schools may be transferred to the state's Recovery School District (Item #8)

The proposed legislation expands the authority of the Recovery School District such that all schools operating under the jurisdiction and direction of a school district that has a population of at least 475,000 according to the latest federal decennial census and is in academic crisis shall be transferred to the Recovery School District, subject to the Board of Elementary and Secondary Education's approval. 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. 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>
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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 all 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

House

13.5.1 >= \$500,000 Annual Fiscal Cost

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

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

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

H. Gordon Monk

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Legislative Fiscal Officer