

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 735** HLS 14RS 574
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 25, 2014	2:57 PM	Author: JAMES
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Removal of schools from the Recovery School District		

SCHOOLS/DISTRICTS OR SEE FISC NOTE LF EX Page 1 of 1

Provides relative to the parent petition process for removing a school from the jurisdiction of the Recovery School District and returning such school to the local school system
 Present law provides that parents of students attending a school that is directly operated by the RSD, that has been rated as a "D" or "F" school for five years and that has not been identified for conversion to a charter school pursuant to a charter contract between the State Board of Elementary and Secondary Education (BESE) and a nonprofit charter organization may submit a petition to BESE requesting that the school be returned to the local school system from which it was transferred. The petition must be signed by parents representing students which have been enrolled in the school for at least two years.

The proposed legislation removes the provision limiting applicability to schools that have not been identified for conversion to a charter school and removes the two year enrollment requirement.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The potential fiscal impact of the proposed legislation cannot be determined. The legislation allows for a process for parents to petition to return a Recovery School District (RSD) school to the local school system. It is not known if any school will ultimately be transferred under these circumstances. However, it is anticipated that the cost of educating the students will be similar under either system (local school district or Recovery School District (RSD)), though one system may have been able to provide a particular service at a lower cost. For example, the local school system may be able to absorb transportation costs at a lower rate than a single school being transferred to the Recovery School District. The workload of either the RSD or local school system may initially increase to account for all of the transfer of assets and property.

In the event a school is transferred to the local school district from the RSD as a result of this measure, the associated revenues through the Minimum Foundation Program (MFP) will follow the students. The Department of Education transfers through the MFP, the state share per pupil and a calculated local share per pupil. If a school is transferred from the RSD, the local school district will receive these revenues for each student in the school in addition to other revenues generated and available to the district to use for the education of these students.

It should be noted that any school in the RSD is evaluated after five years of operation in the RSD and may be eligible for return at that time. The proposed legislation potentially allows a school to be returned in less time that what is allowed by current law. Thus, any costs or savings associated with a transfer of a school could materialize at a later date regardless of the proposed legislation.

REVENUE EXPLANATION

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

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|---|----------------------------|--|---|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

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