

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 206** HLS 13RS 524
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 27, 2013 7:24 AM	Author: REYNOLDS
Dept./Agy.: Education	Analyst: Mary Kathryn Drago
Subject: Creation of school boards	

SCHOOLS/BOARDS EG SEE FISC NOTE See Note Page 1 of 1

Removes geographic limitations on the legislature's authority to create new school boards and on provisions relative to financing education

The proposed constitutional amendment changes references from parish school boards and systems to local public school boards and local public school systems. The amendment allows the legislature to provide for school board's geographic jurisdiction. On and after 1/1/15, an Act of the legislature creating a local public school board and providing for its school district shall become effective only if the proposed school board provided in the Act has been approved by both of the following at an election held for the purpose: a majority of the electors of the proposed school district who vote on the proposition and a majority of the electors of each existing school district from which the proposed district is to be created who vote on the proposition. The amendment would allow the inclusion of all legislatively created school boards in the MFP. The amendment would provide legislatively created local school boards the same taxing authority afforded to previously created local school boards. The amendment will be placed on the ballot at the statewide election to be held on 11/4/14.

EXPENDITURES	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0	\$0				\$0

REVENUES	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</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>	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0	\$0				\$0

EXPENDITURE EXPLANATION

In the event the amendment is passed and legislation is enacted to create new school systems, new school systems could be created in geographic jurisdictions set by the legislature in the future which would allow for state, federal and local resources to be transferred from existing school systems to newly created systems. It is possible that there could be changes to the funding in the Minimum Foundation Program if new school systems are created, however, the overall state general fund expenditures may increase or decrease as a result of any changes. If a new school system is created, local school district expenditures may increase initially related to startup costs. It is possible there could be a fiscal impact occurring as early as FY 16, however, it is not likely to occur until FY 17 due to the timing of any proposed legislation being implemented and any subsequent election occurring allowing for the creation of a new school system.

While the proposed legislation does not call for a local election, the bill provides that newly created school boards and school districts will only become effective after a majority of the electors in the affected districts vote on the proposition. For informational purposes, the average cost per precinct for local elections is between \$1,000 and \$1,200. If the local election is held at the same time as a statewide Congressional/Gubernatorial/Presidential election date, the local governments will share in the cost of the election with the state, thus, decreasing the average cost noted above.

Note: This fiscal note does not address other potential fiscal impacts to local school systems if new school systems are created. When a new school system is created, there are several potential issues including: post employment obligations (legacy costs), and whether or not the new school system will be able to provide an adequate local tax base to support the school system.

REVENUE EXPLANATION

The constitutional amendment allows newly created school systems to raise local revenues, thus there may be increases in local revenues in future fiscal years.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {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}	

Evan Brasseaux
Evan Brasseaux
Staff Director