

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 524** HLS 15RS 1093
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 4, 2015 2:29 PM	Author: OURSO
Dept./Agy.: Education	Analyst: Jodi Mauroner
Subject: Creation of Independent School Districts	

SCHOOLS/DISTRICTS OR SEE FISC NOTE GF EX Page 1 of 2
 (Constitutional Amendment) Authorizes the creation of independent school districts

Proposed Constitutional Amendment allows for an alternative educational system for elementary and secondary education through independent school districts. States that the legislature shall provide by law for independent districts for elementary and secondary education by authorizing districts independent and separate from the state and the State Board of Elementary and Secondary Education and governed by a board of trustees. The geographic jurisdiction may be less than but shall be wholly contained within a single parish. On or after January 1, 2016, the creation of a district shall become effective only if a proposition, initiated by petition of a percentage of residents of the district, proposing the creation of the district, has been approved by a majority of the electors of the proposed district. The district shall be regarded and treated as a parish or city school system and its schools treated as public schools. The local funds contribution shall be satisfied with existing ad valorem taxes and the district has to authority to levy additional taxes for specific purposes. Provides for submission of the proposed amendment at the statewide election to be held October 24, 2015.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

EXPENDITURE EXPLANATION

There will be an indeterminable impact to Minimum Foundation Program (MFP) formula funding as a result of the creation of a new independent school district. Existing MFP funds would have to be reallocated between the existing parish school district and the new independent school district. Actual impacts would depend upon the location of the new district and other factors including the number and type of students in the new district, the local revenue base and the ability of that district to raise revenues. There will be a decrease in expenditures for existing parish school districts due to the potential shift of students into the new independent school district.

Where city school districts have been created from parish school districts in the past, the resulting shifts in wealth have varied. In Washington parish (Bogalusa City Schools) and Ouachita parish (Monroe City Schools), the new school districts are considered wealthier (Level 2 contribution) and receive a lower state contribution (Level 1 contribution) than the parish school district. The reverse is true for East Baton Rouge Parish where Zachary, Baker and Central school systems are significantly less wealth, requiring a higher state contribution for those city school districts. See below for a comparison of state and local funding shares per the FY 14/15 MFP.

<u>District</u>	<u>State Share</u>	<u>Local Share</u>
Ouachita Parish	79.51%	20.49%
City of Monroe	65.28%	34.72%
Washington Parish	89.62%	10.38%
City of Bogalusa	75.54%	24.46%
EBR Parish	48.53%	51.47%
City of Baker	80.58%	19.42%
Central Community	80.64%	19.36%
Zachary Community	72.78%	27.22%

Continued on Page two

REVENUE EXPLANATION

There will be an indeterminable increase in self-generated revenues to the new independent school district as a result of their authority to levy additional taxes with voter approval.

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|---|--|--|
| <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)(1) >= \$100,000 SGF Fiscal Cost {H & S} | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {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} | |

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:

Expenditure Explanation Continued from Page one

The proposed constitutional amendment will be considered by voters at the statewide election to be held on October 24, 2015. The Secretary of State may incur minimal ballot printing costs associated with this measure. However, as a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments for the fall statewide elections.

Senate

Dual Referral Rules

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

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

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