

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2010-03
Bill No.: HCS for SCS for SB 686
Subject: Education, Elementary and Secondary
Type: Original
Date: April 18, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assumed this proposal would reorganize Section 165.011, RSMo and also add new subsection 14 for school districts that issued qualified zone academy bonds (QZAB) prior to December 31, 2002 and did not establish a tax levy in the Debt Service Fund pursuant to Section 164.161, RSMo. The proposed change allows districts to transfer certain funds from the Capital Projects Fund to the Debt Service Fund to be invested for the purpose of paying off the federally authorized and state approved Qualified Zone Academy Bonds at the call date of the bonds. The proposal also adds new reporting provisions and establishes certain penalties for failure to comply for school districts meeting the requirements of subsection 14.

DESE further states that this proposal establishes provisions that would allow school districts to comply with the Taxpayers Relief Act of 1997.

In addition, DESE officials state this proposal would give districts meeting certain conditions the flexibility to transfer funds from the Capital Projects Fund to the Incidental Fund. Such flexibility may help districts meet their general operating obligations during years of stagnant or reduced revenues.

DESE officials stated there would be no fiscal impact on their agency resulting from this

ASSUMPTION (continued)

proposal.

Officials from the **Fairview R-IX School District** stated that there would be no fiscal impact to their district resulting from this proposal. The Fairview School District indicated that due to current budgetary constraints, the transfer of funds permitted per this proposal may not occur.

Officials from the **Seymour R-II School District** did not respond to our request for determination of possible fiscal impact to their district.

<u>FISCAL IMPACT - State Government</u>	FY 2004	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Section 165.011.13

This section of the proposal allows school districts to transfer unrestricted funds from the capital projects fund to the incidental fund in any year in which that year's June 30 combined incidental and teachers funds unrestricted balance compared to the combined incidental and teachers funds expenditures would be less than ten percent without such transfer.

Section 165.011.14

This section of the proposal creates fiscal procedures for school districts that have issued qualified zone academy bonds pursuant to federal law and have incorrectly handled the placement of the bond proceeds in the districts' accounts. The proposal also rearranges some existing wording, deletes material that has become obsolete, and makes some technical changes in the remainder of the section, which concerns placement and transfers of moneys in school

district accounts.

DESCRIPTION (continued)

Section 165.011.15

This section of the proposal allows a certain school district to make a one time transfer from the incidental fund to the capital projects fund for a sewer project.

Section 165.011.16

This section of the proposal allows another school district to make a one time transfer from the incidental fund to the capital projects fund for the purpose of improving the library media and technology center for the district's high school and middle school.

This proposal has an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Fairview R-XI School District

NOT RESPONDING

Seymour R-II School District



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