

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3370-01  
BILL NO.: HB 1409  
SUBJECT: Education, Elementary and Secondary: Alternative Education Grants  
TYPE: Original  
DATE: March 6, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$0 to \$9,000,000)	(\$0 to \$9,000,000)	(\$0 to \$9,000,000)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$0 to \$9,000,000)</b>	<b>(\$0 to \$9,000,000)</b>	<b>(\$0 to \$9,000,000)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Elementary and Secondary Education (DESE)** state that currently grants are awarded for 3 years. The first year is competitive; the 2nd and 3rd years are not competitive. The grants terminate after the 3rd year. Under this bill, districts receiving their third and final year of payments can continue to receive payments as the grants become "permanently renewable" on a non-competitive basis.

DESE officials state this appropriation line item has been approximately \$9,000,000 per year. The total fiscal impact would continue to be subject to appropriation.

School districts who are receiving their 3rd and final year of grant moneys under existing law, may continue to receive these moneys as the grants are made permanently renewable. This would be an additional \$9.0 million distributed to districts currently receiving these funds because under current law these flows were going to end and become available to other districts.

Because the continuation of the grants is permissive under the proposal, and existing funds could be redistributed among school districts, the **Oversight Division** has ranged the fiscal impact from \$0 to \$9,000,000.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>GENERAL REVENUE FUND</b>			
<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
Alternative Education Grants	(\$0 to <u>\$9,000,000</u> )	(\$0 to <u>\$9,000,000</u> )	(\$0 to <u>\$9,000,000</u> )

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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>SCHOOL DISTRICTS</b>			
<u>Income-School Districts</u>			
Alternative Education Grants	\$0 to \$9,000,000	\$0 to \$9,000,000	\$0 to \$9,000,000
<u>Cost-School Districts</u>			
Alternative Education Programs	(\$0 to \$9,000,000)	(\$0 to \$9,000,000)	(\$0 to \$9,000,000)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

The proposal would permit existing alternative education grants to be continued without being competitive.

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



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Director  
March 6, 2000