

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 821** HLS 09RS 722

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 20, 2009	3:26 PM	Author: CARTER, STEVE
Dept./Agy.: Education		Analyst: Mary Kathryn Drago
Subject: Minimum Foundation Program formula		

SCHOOLS/FINANCE-MFP

EG SEE FISC NOTE LF EX See Note

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Provides relative to the allocation and reporting of certain education funding

The proposed legislation, beginning with the 2010-11 school year, requires each school system to expend funds generated by applying the weighted factors in the Minimum Foundation Program (MFP) formula on specific expenditures related to students who generated such funds. The systems must report to the Board of Elementary and Secondary Education (BESE) details on such expenditures, and the information must be reported on the Department of Education (DOE) website. Beginning with the 09-10 school year, BESE shall publish revenue and expenditure data in regards to the allocation and expenditure of funds generated by the MFP, local revenues, and federal grants in an easily understandable format on the DOE website.

EXPENDITURES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</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	SEE BELOW	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</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>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Local Fund expenditures may increase as a result of reprogramming their accounting systems to account for the required expenditures. The local school systems are receiving federal stimulus funding from the American Recovery and Reinvestment Act of 2009. The funds received by the local school systems must be accounted for separately and the school systems are required to provide reports to the federal government on the expenditure of those funds. According to the Department of Education, the school systems are reprogramming their accounting systems to account for the federal stimulus funds and could make the necessary changes to account for the requirements in the proposed legislation at the same time.

NOTE: To the extent that school systems are currently not using the funds generated by the weights in the Minimum Foundation Program for the specific purposes outlined in the legislation, school systems will either be required to redirect these expenditures accordingly or increase local revenues in order to maintain the existing expenditures.

REVENUE EXPLANATION

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

Senate

Dual Referral Rules

House

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk

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Legislative Fiscal Officer