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FISCAL IMPACT REPORT

SPONSOR: Picraux DATE TYPED: 03/15/01 HB 46/aHAFC/aSFI #1
 SHORT TITLE: The Student Enhancement Act SB _____
 ANALYST: Moran

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
No Fiscal Impact					

(Parenthesis () Indicate Revenue Decrease Revenue)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	Indeterminate			New Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
 State Department of Education (SDE)

SUMMARY

Synopsis of SFI #1 Amendment

The Senate Floor Amendment #1 would, like the HAFC amendment, include athletic activities within the purview of the Student Enhancement Act. This amendment would not change the intent of the original legislation.

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee removes the \$ 3 million appropriation. The amendment also expands the eligible types of activities to include sports and physical fitness programs.

Synopsis of Original Bill

HB 46 appropriates \$3 million from the general fund to the State Department of Education (SDE) for the purpose of establishing a new fund designed to support academic and social enrichment activities through tutoring and enhanced learning opportunities for students in grades six, seven and eight. It also adds a new section to the Public School Code, provides a definition of the terms within the Student Enhancement Act and lays out the general requirements for school participation. Schools that would like to begin these programs must apply to the SDE. The SDE will determine the need of the eligible school based on the number of students who are receiving free or reduced-fee lunches and have a significant number of student under-performance. The SDE retains the ability to monitor the results of these programs and can, if it has been determined, cease to provide funds to non-complying schools.

Significant Issues

The Student Enhancement Act would provide funding to schools to extend the learning opportunities available to adolescents. Also, this legislation would provide funding to implement programs in public schools designed to stimulate creative alternative learning experiences through activities approved and monitored by the SDE as part of the competitive award process. The participating schools are left with the power to determine when they will offer such programs, which could be anytime during the school day or on weekends and during vacations.

During the 2000-2001 school year, \$1000.0 was included in SDE Appropriations to fund 6th, 7th and 8th grade tutoring projects. Sixty-four schools serving students in the 6th, 7th and/or 8th grade were awarded grants of up to \$15,000 to support student enhancement and tutoring programs.

FISCAL IMPLICATIONS

The appropriation of \$ 3000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 02 shall *not* revert to the general fund. The bill appropriates \$3,000.0 and all other revenue related to the act to the newly created Student Enhancement Fund.

This bill creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

ADMINISTRATIVE IMPLICATIONS

Though SDE suggests that they can absorb the immediate financial impact, they have claimed that they will need funding at the program level to hire administrative FTE to monitor the fund. Thus, because the SDE will be responsible to monitor and verify compliance with the Student Enhancement Act and make an annual report to the Legislative Education Study Committee, a significant amount of staff time will be expended to select, monitor and assure school compliance with the provisions of the Student Enhancement Act.

POSSIBLE QUESTIONS

1. This bill leaves to the participating school the option of holding programs on weekends or vacations. What are the potential fiscal implications of holding these programs during these “off-peak” times?

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2. Is there an estimated number of new FTEs it will take to allow this program to become fully functional?

RJM/ar/njw