

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Gonzales DATE TYPED: 02/25/01 HB 9/aHEC
 SHORT TITLE: Amend Public School Transportation Formula SB _____
 ANALYST: Segura

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 State Department of Education (SDE)

SUMMARY

Synopsis of HEC amendment

The House Education Committee amendment strikes one hundred and inserts ninety-five on page 3, lines 7 and 8. The amendment maintains the school transportation allocation.

Synopsis of Original Bill

House Bill 9 changes the transportation operational formula by amending the hold harmless provision and extending the hold harmless provision until the end of FY04.

Significant Issues

The transportation funding formula changed as a result of the 1999 special session. The formula modifications include calculations based on specific site characteristics.

The site characteristics that are currently being used were developed as part of the formula study. Recommendations were provided to improve the funding formula by adding or changing site characteristics that would create a more equitable allocation of funds to each school districts. The recommended changes have not been implemented.

According to the SDE, the formula distribution without a hold harmless provision would have a significant impact on several school districts.

House Bill 9/aHEC -- Page 2

The amendment proposed in House Bill 9 maintains school transportation allocations. School districts would not receive less than 100% or more than 105% of the prior year's expenditure level.

FISCAL IMPLICATIONS

There is no fiscal impact. School districts are under a hold harmless for one more year.

OTHER SUBSTANTIVE ISSUES

According to SDE, the consequences of not enacting this bill would reduce the allocations to several school districts and each school district would realize a major redistribution beginning in FY03.

RS/njw:ar