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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/2007

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE New School Operation Costs SB 74

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
\$1,000.0		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
\$1,000.0			Recurring	New School Development Fund

(Parenthesis () Indicate Revenue Decreases)

LFC Files

Responses Not Received From
Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 74 appropriates \$1 million from the General Fund for expenditure in FY07 and subsequent years to the New School Development Fund for the purpose of making distributions to school districts to pay costs unique to the first year of operation of new schools.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund

This bill provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

School districts have complained that they have insufficient funding at the end of a school construction project to pay for supplies, equipment and other operating costs unique to the first year of operation of a new school. Provisions contained in the enabling legislation for the new school development fund would make funds available to school districts for these costs provided that before distributions are approved, PED determines that there are no other reasonably available federal, private or other public sources for the funding needed.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Recommendations for this appropriation are contained in the LESC budget recommendations for categorical public school support but have not been rolled into introduced legislation.

PA/mt