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FISCAL IMPACT STATEMENT

LS 6994

BILL NUMBER: SB 324

NOTE PREPARED: Feb 2, 2006

BILL AMENDED: Jan 26, 2006

SUBJECT: Various Education Matters.

FIRST AUTHOR: Sen. Drozda

FIRST SPONSOR: Rep. Noe

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Buses:* This bill allows the use of school-owned buses for nonprofit organizations under certain conditions.

Nurses: The bill allows school corporations to independently contract for school nurses and other certified or licensed personnel to provide student services and health services.

Instructional Resources: The bill requires the State Board of Education annually to: (1) analyze state statutes, rules, policies, and relationships to determine those that restrict school corporations and public schools from allocating resources to, and focusing efforts on, student instruction and learning; and (2) report the results of the analysis to the State Superintendent of Public Instruction, the General Assembly, and the Governor.

Contracts: This bill makes statutes governing nonrenewal of contracts applicable to assistant superintendents, principals, assistant principals, and directors of special education consistent with statutes governing the nonrenewal of a superintendent's contract.

Public Works Projects: The bill increases the cost of public works projects subject to the bidding process.

Deregulation: The bill allows school corporations to declare themselves deregulated and waive certain statutes and rules.

School Building Inspection Violations The bill allows up to one year or the school corporation's next budget year for school corporations to abate school building inspection violations.

Attendance Officers: The bill removes the requirement for state and local attendance officers.

Twenty-First Century Scholars: This bill extends eligibility for the twenty-first century scholar's program to students in grade 7.

Purchasing: It authorizes the governing body of a school corporation to enter into a public works contract by a competitive sealed bidding process through a multistate cooperative purchasing program.

The bill authorizes a municipal school corporation to purchase certain materials for a public works project under the public purchasing law. It provides that labor may be included in the purchase if certain conditions are met.

Attendance: It repeals superseded compulsory school attendance provisions.

Effective Date: July 1, 2006.

Explanation of State Expenditures: (Revised) *Twenty-First Century Scholars:* The bill changes the grade for eligibility to enter the program from Grade 8 to Grade 7. The bill should not increase the long-term cost of the program, but could increase the costs in the first year of providing information and enrolling Grades 7 and 8 instead of just Grade 8. The increase would probably be minor.

Background: The General Fund appropriations for the 21st Century Scholars Program have been the following.

	FY 2004	FY 2005	FY 2006	FY 2007
Administration	\$2,586,443	\$4,086,443	\$2,000,000	\$2,000,000
Awards	\$15,996,500	\$18,402,449	\$18,402,449	\$19,171,429

(Revised) *Instructional Resources:* The requirement that State Board of Education to annually analyze state statutes, rules, policies, and relationships to determine those that restrict school corporations and public schools from allocating resources to, and focusing efforts on, student instruction and learning should have minor state impact.

Attendance Officer: The elimination of the State Attendance Officer could reduce state expenditures, but the savings are probably minor. The state would still be collecting attendance information.

Explanation of State Revenues:

Explanation of Local Expenditures: *Buses:* Allowing the use of school-owned buses for nonprofit organizations may increase a school's transportation costs. However, since the school can charge for the cost of fuel and may provide the use of the buses, but is not required to, the cost is probably minor.

Nurses: Allowing schools to contract for school nurses and other certified or licensed personnel to provide student health services and to hire nurses without a bachelor's degree should reduce school costs.

(Revised) *Public Works Projects*: The increase in the dollar value of public works projects that are subject to the bidding process from:

1. \$75,000 to \$100,000 in a consolidated city, second-class city, a county containing a consolidated city or second-class city, or a regional water or sewage district.
2. \$50,000 to \$75,000 in a third-class city or town with a population of more than 5,000 or a county containing a third-class city or town with a population of more than 5,000.
3. \$25,000 to \$50,000 for all other political subdivisions.

The bill could reduce the bidding costs on small projects for all units of government. The reduction is unknown.

Contracts: The provisions making the renewal of contracts for assistant superintendents, principals, assistant principals, and directors of special education consistent with contracts with superintendents should not have any fiscal impact.

Attendance Officers: Removing the requirement that the school designate an attendance officer could reduce school costs, but the savings are probably minor.

School Building Inspection Violations: Allowing schools to fix a violation resulting from a State Fire Marshal inspection during the next school budget would give schools flexibility in budgeting and would eliminate the need to defer other planned expenditures to abate violations.

(Revised) *Deregulation*: The provision allowing schools to declare themselves deregulated and waive certain statutes and rules could reduce school administrative expenses. The bill lists the statutes that a deregulated school must still comply. They include collective bargaining, student discipline, the student calendar, health and safety measures, immunizations, retirement, contract with teachers and administrators laws, school finance. The possible impact is unknown.

(Revised) *Purchasing*: The use of multistate cooperative purchasing programs could save local schools purchasing costs.

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission; Department of Education; State Fire Marshal.

Local Agencies Affected: All.

Information Sources: Department of Education Databases.

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