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:	Miera		DATE TYPED:	03/04/01	HB	495
SHORT TITLE: Public School Redist		icting		SB		
				ANALY	YST:	Gilbert

APPROPRIATION

Appropriation	on Contained	Estimated Additional Impact		Recurring	Fund
FY01	FY02	FY01	FY02	or Non-Rec	Affected
\$	\$ 250.0			Non-Rec	GF

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

No response received from the State Department of Education (SDE)

SUMMARY

Synopsis of Bill

House Bill 495 enacts a new section of the public school code and appropriates \$250.0 from the general fund to the State Department of Education to accomplish the redistricting of school districts composed of 35,000 or more students.

Significant Issues

This bill requires school districts with thirty-five thousand or more students to redistrict. The State Board of Education (SBE) shall adopt and promulgate rules setting forth procedures for the redistricting of the school district.

Districts needing redistricting (as determined by the SBE) have up to three years to plan and complete the redistricting. During the course of the three years that school districts have to prepare for redistricting, they shall annually report on their progress to the SBE.

The SBE will appoint task forces to assist school districts needing redistricting. Such task forces assist school districts during the three-year preparation period for redistricting and are composed of members from the school districts that are being redistricted, from the communities where the redistricting is to occur and composed of recognized experts in the area of school district redistricting. Task forces shall consider and report on the following to the SBE prior to the redistricting of an existing school district:

(1) the boundaries of the proposed new school districts;

House Bill 495-- Page 2

- (2) population demographics; district growth patterns; ethnicity; economic levels; family income; and student and adult educational achievement and attainment levels in the proposed new school districts;
- (3) division of assets, liabilities and indebtedness, including real and personal property, of the existing and proposed school districts;
- (4) division of bonded indebtedness and voter-approved mill levies of the existing and proposed school districts;
- (5) ability of the proposed new school districts to raise operational and capital funding;
- (6) effects of redistricting on transportation costs on the existing and proposed new school districts; and
- (7) other considerations impacting redistricting identified by the task force.

The State Department of Education (SDE) may contract for the services of recognized experts in the area of school district redistricting in accordance with the provisions of the Procurement Code.

FISCAL IMPLICATIONS

The appropriation of \$250.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY04 shall revert to the general fund. School district and community members of task forces shall receive per diem and mileage pursuant to the provisions of the Per Diem and Mileage Act. Additional temporary FTE for FY02-FY04 may be needed by school districts required to redistrict and by the SDE in order to comply with the provisions of this bill.

ADMINISTRATIVE IMPLICATIONS

The SBE and SDE are charged with carrying out the provisions of this bill, including promulgating rules procedures for redistricting of school districts, appointing and overseeing redistricting task forces, reviewing and approving redistricting plans, and contracting with redistricting experts. Additional FTE may be required to administer these responsibilities.

RLG/njw:ar