

FISCAL NOTE TRANSMITTAL FORM

The attached fiscal note on the bill(s) named above is being transmitted to:

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Fiscal Note Requested By

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Speaker of the House, Daniel T. Blue, Jr.  
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House Principal Clerks Office  
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NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

**BILL NUMBER:** House Bill 1473

**SHORT TITLE:** School Merger Validated

**SPONSOR(S):** Representative H. M. Michaux, Jr.

**FISCAL IMPACT:** Expenditures: Increase ( ) Decrease (X)  
Revenues: Increase ( ) Decrease ( )  
No Impact ( )  
No Estimate Available ( )

**FUNDS AFFECTED:** General Fund (X) Highway Fund ( ) Local Fund ( )  
Other Fund ( )

**BILL SUMMARY:** Validates certain school mergers that have taken place since June 9, 1969 and the effective date of this Section, or under local acts authorizing such school mergers. Amends G.S. 115C-67(3)b so that with respect to constituting and selection of the members of the merged school board any conflicts with G.S. 115C-35 and G.S. 115C-37 will be resolved in favor of the local plan of merger and consolidation.

**EFFECTIVE DATE:** Sections 1 and 2, Upon Ratification  
Section 3, July 1, 1981

**PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:** Department of Public Education

FISCAL IMPACT

	<u>FY</u> 92-93	<u>FY</u> 93-94	<u>FY</u> 94-95	<u>FY</u> 95-96	<u>FY</u> 96-97
<b>EXPENDITURES</b>					
RECURRING	\$7.3M	\$7.63M	\$7.97M	\$8.81M	\$8.68M
NON-RECURRING					
<b>REVENUES/RECEIPTS</b>					
RECURRING					
NON-RECURRING					

**POSITIONS:**

**ASSUMPTIONS AND METHODOLOGY:** The cost estimates in this fiscal note are based on the following assumptions:

- o The Appellate Courts uphold the lower court ruling, reversing 17 school mergers because of the issue of delegation of authority or size of the merged school board.

- o This ruling would apply beginning with the 1992-93 fiscal year.
- o The cost estimate in this fiscal note is based on not validating these school mergers.
- o The fiscal note assumes that the reversal of all 17 mergers would lead to the recreation of the school systems that existed prior to merger.
- o Average daily membership for the former system is estimated.
- o Cost estimates are for additional superintendents and other central office personnel.
- o Cost estimates for future years are adjusted for inflation at 4.3%, but not for enrollment.
- o The estimate does not include the cost of additional teachers for the new units due to the calculation of allotment formulas, or the additional transportation costs that might occur because of a division of bus routes.

**SOURCES OF DATA:** Department of Public Instruction  
Division of Financial Services

**TECHNICAL CONSIDERATIONS:**

**FISCAL RESEARCH DIVISION**  
733-4910

**PREPARED BY:** James D. Johnson

**APPROVED BY:** TOMC

**DATE:** May 28, 1992

[FRD#003]



**Signed Copy Located in the NCGA Principal Clerk's Offices**