

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research  
733-4910

Prepared By: Jim Johnson      Date Prepared: May 8, 1989      Bill No. HB 1282      Edition: Draft Prop. Comm. Sub  
 Approved By: Tom Covington      Sponsor: Representative Wilson  
 Short Title:

TYPE OF FISCAL IMPACT			FUNDS AFFECTED:			
			(X) General	( ) Highway	( ) Local	( ) Other:
	County/ State Gov't	Local Gov't	State Fiscal Impact	FY	FY	FY
No Fiscal Impact	( )	( )	State Total Req'ments Receipts/Revenues			
Increase Expenditure	( )	( )	Net State Expend./Rev. No. of Positions			
Decrease Expenditure	( )	( )				
			Local Fiscal Impact	FY	FY	FY
Increase Revenue	( )	( )	Local Total Req'ments Receipts/Revenues			
Decrease Revenue	( )	( )	Net Local Expend./Rev. No. of Positions			
No Estimate Avail.	(X)*	( )				

\*Cannot be estimated because future headcounts cannot be projected

Description of Legislation

1. Summary of Legislation:

To provide that funding for programs for exceptional children shall remain at or above current levels before adjustments for salary increases and inflation. Expresses intent of General Assembly, as title indicates, and directs State Board of Education to prepare future budget requests in conformity with expressed legislative policy.

2. Effective Date: July 1, 1989

3. Fund or Tax Affected: General Fund

4. Principal Department/Program Affected: Department of Public Instruction

Cost or Revenue Impact on State

	FY	FY	FY
	88-89	89-90	

1. Non-Recurring Costs/Revenues

2. Recurring Costs/Revenues

3. Fiscal/Revenue Assumptions

Cost/Revenue Impact on County or Local Government

	FY	FY	FY
	88-89	89-90	

1. Non-Recurring Costs/Revenues

2. Recurring Costs/Revenues

3. Fiscal/Revenue Assumptions

Future costs cannot be estimated

Sources of Data for Fiscal Note

Department of Public Instruction

Technical Considerations/Comments

In FY 1988-89 funds for exceptional children are allotted to local school units on the following basis:

	Per Pupil Allotment	Allotted Headcount	Appropriated Amount
State Aid Exceptional Children	\$ 1,598.66	123,624	\$197,633,091
Related Services	151.46	123,624	18,724,752
Academically Gifted	222.93	40,380	3,000,000
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\$ 1,973.0

\$219,357,843

The per pupil allotment is determined by Appropriated Amount/Allotted Headcount = Per Pupil Allotment. In previous years, if the June 1 headcount was available, the General Assembly has adjusted the budget to continue services at the same level as previous years prior to the addition of any salary increase money.

Example:

If the June 1 headcount for the 1989 school year fell from 123,624 to 120,000 the Appropriations Committee might choose to make the following adjustments:

Category	Per Pupil Allotted Allotment	Allotted Headcount	Base Budget	Projected Base Budget	Base Budget Reduction
State Aid Exceptional Children	\$1,598.66	120,000	\$197,633,091	\$191,839,200	(\$5,793,891)
Related Services	151.46	120,000	18,724,752	18,175,200	( 549,522)
Academically Gifted	222.93	40,380	3,000,000	3,000,000	
	<u>\$1,973.05</u>		<u>\$219,357,843</u>	<u>\$213,014,400</u>	<u>(\$6,343,413)</u>

If the headcount increased by 3,024, the General Assembly might choose to make additional funds available to maintain the State aid at \$1,973.05

House Bill 1282 appears to prevent or bar legislature's intent from making any decrease as shown in the example above.

Since, however, one General Assembly cannot bind another, future sessions would be free to take whatever action that they deemed appropriate.



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