

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING ADJUSTMENTS IN THE AMOUNT OF TOTAL PROGRAM FUNDING FOR PUBLIC SCHOOLS FOR THE 2017-18 BUDGET YEAR.

Prime Sponsors: Representative Hamner
Senator Lundberg

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/05/18.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Legislative Council Staff Fiscal Note indicates that the bill requires a reduction of \$103,934,329 to the General Fund appropriation for the state share of districts' total program funding for FY 2017-18. In order to maintain the solvency of the State Public School Fund in FY 2017-18, this Joint Budget Committee Staff analysis assumes that the total reduction of \$103,934,329 would include reductions of \$91,068,255 General Fund and \$12,866,074 cash funds from the State Public School Fund.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision making the following changes to appropriations to the Department of Education for FY 2017-18: (1) a reduction of \$103,934,329 total funds (including \$91,068,255 General Fund and \$12,866,074 cash funds from the State Public School Fund) to the State Share of Districts' Total Program Funding line item; and (2) an increase of \$7,265 cash funds from the State Education Fund

for the Hold-harmless Full-day Kindergarten Funding line item. Finally, the amendment adjusts a footnote in the FY 2017-18 Long Bill to reflect an increase in per pupil funding for students participating in the Accelerating Students Through Concurrent Enrollment (ASCENT) program in FY 2017-18 based on the reduction in the budget stabilization factor included in the bill.

Points to Consider

General Fund Impact

1. Current law requires the General Assembly to provide sufficient funding for school finance in FY 2018-19 to prevent any increase in the budget stabilization factor as a dollar amount from FY 2017-18 to FY 2018-19. This bill reduces the budget stabilization factor by \$5.9 million in FY 2017-18. Although this bill allows for a \$91.1 million reduction in General Fund appropriation for FY 2017-18 (as included in amendment J.001), it is projected to require General Fund appropriations of \$5,883,580 in FY 2018-19 to maintain the budget stabilization factor at the reduced level.
2. As discussed above, this Joint Budget Committee Staff analysis assumes that the bill requires a reduction of \$103,934,329 total funds to the appropriations for the state share of districts' total program funding in FY 2017-18, including \$90,068,255 General Fund and \$12,866,074 cash funds from the State Public School Fund. Alternatively, the General Assembly could increase the size of the reduction to appropriations from the State Public School Fund (up to the current appropriation of \$73,210,538), reduce appropriations from the State Education Fund rather than the General Fund, or reduce appropriations from a combination of all three fund sources.

Timing Issues

3. This Joint Budget Committee Staff analysis assumes that the adjustments in appropriations required by the bill, as included in amendment J.001, will be enacted as part of this bill. However, the General Assembly could also make the changes in appropriations as part of the final FY 2017-18 balancing process through a FY 2017-18 supplemental adjustment attached to the FY 2018-19 Long Bill.