

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE FINANCING OF PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. McCluskie and McLachlan
Senator Zenzinger

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Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/25/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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

While the expenditure detail in the revised fiscal note is complete, the State Appropriations section omits two appropriations that are required by the bill and assumed in the expenditure detail, including: (1) \$43,113 General Fund and 0.5 FTE associated with the bill's changes to the Accelerating Students Through Concurrent Enrollment (ASCENT) program; and (2) \$25,000 General Fund for coding information related to homeschool enrichment services. Legislative Council Staff and JBC Staff agree that the bill requires these appropriations.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.009	Bill Sponsor amendment - does not change fiscal impact

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 appropriating a total of \$184,353,873 to the Department of Education for FY 2022-23, including \$2,329,958 General Fund and \$182,023,915 cash funds from the State Education Fund. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.5 FTE. The following table summarizes the appropriations in amendment J.001.

H.B. 22-1390: FY 2022-23 Appropriations to Department of Education		
Purpose	Amount	FTE
<i>Section 19: Appropriation for External Evaluation of Local Accountability Systems Grant Program</i>		
General Fund	\$100,000	0.0
<i>Section 20: Appropriation for State Share of Districts' Total Program Funding</i>		
General Fund (Associated with ASCENT)	\$2,101,985	0.0
State Education Fund	\$182,023,915	0.0
Total Appropriation for State Share of Districts' Total Program	\$184,125,900	0.0
<i>Section 21: Adjustments to Long Bill Footnote Detailing Funding for the ASCENT and TREP Programs</i>		
<i>Section 22: Other Appropriations (General Fund)</i>		
(a) Dyslexia Pilot Program Continuation	\$127,973	0.0
(b) College and Career Readiness (for ASCENT support)	\$43,113	0.5
(c) Information Technology Services (for homeschool coding)	25,000	0.0
Totals	<u>\$184,421,986</u>	<u>0.5</u>
General Fund	2,398,071	0.5
Cash Funds - State Education Fund	182,023,915	0.0

L.009 Bill Sponsor amendment **L.009** (attached) adjusts the statutory "target number" for total program funding to align with the changes included in the House Education Committee Report. The appropriations included in amendment J.001 (above) also align with the bill as amended by the Education Committee, and amendment L.009 does not require any additional adjustments to appropriations.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill requires a General Fund appropriation of \$2,398,071 for FY 2022-23, with an estimated ongoing impact of \$2,877,888 in FY 2023-24, reducing the \$40.0 million set aside by 2,398,071.

State Education Fund

The Joint Budget Committee (JBC) has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The JBC has included as part of its FY 2022-23 budget package \$182,023,766 cash funds from the State Education Fund to be appropriated for implementation of this bill. The bill appropriates \$182,023,915, including an increase of \$149 above the amount assumed in the set aside to align with updated data related to school finance.