

JBC Staff Fiscal Analysis
House Appropriations Committee

Concerning the financing of public schools, and, in connection therewith, making and reducing an appropriation.

Prime Sponsors:

Senators Kolker; Kirkmeyer
Representatives Sirota; Lukens

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Fiscal Impacts

Appropriation Already Added to Bill, Amendments in Packet

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/29/26.

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

Amendments in This Packet

- L.021 /J.004 Bill Sponsor amendment - changes fiscal impact and appropriation
- L.023 Bill Sponsor amendment - does not change fiscal impact
- L.027 Bill Sponsor amendment – changes fiscal impact
- L.028/J.005 Bill Sponsor amendment – changes fiscal impact and appropriation
- L.030/J.006 Bill Sponsor amendment – changes fiscal impact and appropriation
- L.031/J.007 Bill Sponsor amendment – changes fiscal impact and appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$3,755,558 from the State Education Fund to the Department of Education for FY 2025-26 and appropriates a total of \$5,375,404 from the State Education Fund to the Department of Education for FY 2026-27. The appropriation clause also shifts \$267,424 from postsecondary workforce administrative costs to work-based learning distributions to local education providers in FY 2026-27.

Description of Amendments in This Packet

L.021 and J.004

Bill Sponsor amendment **L.021** (attached) strikes a section of the bill that makes changes to sustain funding, including a provision that changed the Department of Education's administrative cap from five percent to three percent. Amendment **J.004** (attached) strikes corresponding appropriations sections that shift funds from postsecondary workforce administrative costs to work-based learning distributions to local education providers for FY 2026-27.

L.023

Bill Sponsor amendment **L.023** (attached) requires the Department of Education to engage stakeholders on the issue of public placements in facility schools and whether to make recommendations to the State Board regarding rules or to the General Assembly regarding statutes related to public placements in facilities.

L.027

Bill Sponsor amendment **L.027** (attached) creates a new "smoothing" mechanism. Under this mechanism, for the purposes of calculating funded pupil count, district enrollment is the greater of the current year, 97% of the prior year, or a weighted average (current year 50%, prior year 30%, two prior years 20%). This also applies to CSI schools. It replaces averaging in the new formula only. Smoothing occurs beginning when the phase-in percentage is at least 45% and the hold harmless is old formula + 1%. This is expected to occur in FY 2027-28 based on current law.

In FY 2027-28, amendment **L.027** is forecasted to reduce pupil counts by 2,786, reduce total program funding by \$11.3 million, and reduce the state share of districts' total program funding by \$11.0 million. The savings to the state share of districts' total program funding are assumed to be realized in the State Education Fund.

L.028 and J.005

Bill Sponsor amendment **L.028** (attached) determines how total program funding is distributed to charter schools. Specifically, charter school distributions are calculated using the old district formula, new district formula, and district phase-in percentage. In addition, charter schools are held harmless to actual 25-26 funding + 1% in 26-27. In 27-28 (and for the remainder of the new formula phase-in period), the hold harmless is the old district formula plus 1%.

Amendment **L.028** increases expenditures from the State Education Fund by \$3,385,203 in FY 2026-27 and \$6,542,966 in FY 2027-28. Later years are not estimated. Charter schools will receive this funding for the remainder of the new school finance formula phase-in period. Amendment **J.005** (attached) appropriates the FY 2026-27 amount.

L.030 and J.006

Bill Sponsor amendment **L.030** (attached) eliminates at-risk supplemental aid payments for charter schools. Amendment **J.006** (attached) removes the corresponding appropriation from the FY 2026-27 Long Bill. This results in savings of \$3,504,995 to the State Education Fund.

L.031 and J.007

Bill Sponsor amendment **L.031** (attached) requires that the district cost of living factors used to calculate FY 2026-27 total program costs remain the same as those used for FY 2025-26. The amendment also makes changes to the timeline for which results of the biennial cost of living study are received and communicated to

districts. Amendment **J.007** (attached) increases the state share of districts' total program funding for FY 2026-27 by \$7,237,418 from the State Education Fund to pay for the cost of **L.031**.

The Committee may adopt any combination of **L.** amendments and their corresponding **J.** amendments.

Points to Consider

None.