

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

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

Prime Sponsors: Sens. Todd and Lundeen
Reps. McLachlan and Wilson

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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 04/24/19.

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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.007	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides a net increase of \$34,366,279 General Fund to the Department of Education for FY 2019-20, as outlined in the following table. In addition, the appropriation clause adjusts a footnote in the FY 2019-20 Long Bill that specifies what portion of the appropriation for districts' total program funding may be used for the Accelerating Students Through Concurrent Enrollment (ASCENT) Program. The bill increases per pupil funding and therefore requires an adjustment to the amount dedicated to ASCENT.

Amendment J.001: FY 2019-20 Appropriations to Department of Education		
Purpose	Amount	Fund Source
<i>Section 6: Additional Funding for Special Education Programs</i>		
Special Education Programs for Children with Disabilities	\$22,000,000	
<i>Section 7: Appropriation Adjustment for State Share of Districts' Total Program Funding for Budget Stabilization Factor Reduction and Revised Residential Assessment Rate</i>		
State Share of Districts' Total Program Funding	(7,633,721)	General Fund
<i>Section 9: Appropriation for Additional Funding for Rural Schools</i>		

Amendment J.001: FY 2019-20 Appropriations to Department of Education		
Purpose	Amount	Fund Source
Additional Funding for Rural Schools	20,000,000	General Fund
Totals	\$34,366,279	General Fund

Description of Amendments in This Packet

L.007 Bill Sponsor amendment **L.007** (attached) adds a provision to the bill directing the State Treasurer to transfer \$40,326,896 from the General Fund to the State Education Fund on July 1, 2019. The amendment also includes two contingent appropriations to the Department of Education for FY 2019-20, including

- An appropriation of \$2,509,623 General Fund for the State Share of Districts' Total Program Funding that only takes effect if H.B. 19-1262 (State Funding for Full-day Kindergarten) becomes law. This provision adjusts the funding provided for full-day kindergarten to reflect the reduction to the budget stabilization factor included in S.B. 19-246.
- An appropriation of \$125,495 cash funds from the State Education Fund for the Hold-harmless Full-day Kindergarten Funding line item that only takes effect if H.B. 19-1262 does not become law. House Bill 19-1262 eliminates the Hold-harmless Full-day Kindergarten Funding line item. However, if H.B. 19-1262 does not become law, this appropriation is necessary to align the appropriation for Hold-harmless Full-day Kindergarten Funding with the reduction to the budget stabilization factor included in S.B. 19-246.

Points to Consider

General Fund Impact

The Joint Budget Committee (JBC) has proposed a budget package for FY 2019-20 based on the March 2019 Legislative Council Staff revenue forecast. The JBC has included as part of its FY 2019-20 budget package \$77,000,000 General Fund to be appropriated in this bill to reduce the budget stabilization factor by \$77,000,000. As discussed in the Revised Fiscal Note, based on the change in the assumed residential assessment rate, reducing the budget stabilization factory by \$100.0 million allows for a reduction of \$7,633,721 General Fund below the FY 2019-20 Long Bill appropriation for the State Share of Districts' Total Program Funding. Including the other provisions in the bill, this bill requires a net increase of \$34,366,279 General Fund. Sponsor amendment L.007 would add \$2,509,623 General Fund to that appropriation if H.B. 19-1262 becomes law. In addition, sponsor amendment L.007 transfers \$40,326,896 from the General Fund to the State Education Fund in FY 2019-20.