

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

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

Prime Sponsors: Reps. McCluskie and McLachlan  
Sens. Zenzinger and Lundeen

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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 04/29/22.

XXX	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> 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
J.002	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

As amended by the Senate Education Committee, the bill includes a clause that appropriates a total of \$185,421,986 to the Department of Education for FY 2022-23, including \$3,398,071 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.

<b>H.B. 22-1390: FY 2022-23 Appropriations to Department of Education</b>		
<b>Purpose</b>	<b>Amount</b>	<b>FTE</b>
<b><i>Section 29: Appropriation for External Evaluation of Local Accountability Systems Grant Program</i></b>		
General Fund	\$100,000	0.0
<b><i>Section 30: Appropriation for State Share of Districts' Total Program Funding</i></b>		
General Fund (Associated with ASCENT)	\$2,101,985	0.0
State Education Fund	\$182,023,915	0.0
<b>Total Appropriation for State Share of Districts' Total Program</b>	<b>\$184,125,900</b>	<b>0.0</b>
<b><i>Section 31: Appropriation to the CSI Mill Levy Equalization Fund<sup>1</sup></i></b>		
General Fund	\$1,000,000	0.0
<b><i>Section 21: Adjustments to Long Bill Footnote Detailing Funding for the ASCENT and TREP Programs</i></b>		
<b><i>Section 22: Other Appropriations (General Fund)</i></b>		
(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) <sup>2</sup>	25,000	0.0
<b>Totals</b>	<b><u>\$185,421,986</u></b>	<b><u>0.5</u></b>
General Fund	3,398,071	0.5
Cash Funds - State Education Fund	182,023,915	0.0

<sup>1</sup> The Senate Education Committee Report added an appropriation of \$1.0 million General Fund to the CSI Mill Levy Equalization Fund. However, the bill requires an appropriation of that amount of reappropriated funds from the cash fund in order to make the funds available to the Charter School Institute.

<sup>2</sup> The Senate Education Committee report eliminates the statutory provisions related to homeschool coding. Thus, the bill no longer requires this appropriation, assuming adoption of the committee report.

However, as described in the footnotes above, the Senate Education Committee Report (current appropriation clause requires two changes to align with the current bill: (1) the bill requires an appropriation of \$1.0 million reappropriated funds from the CSI Mill Levy Equalization Fund; and (2) the bill no longer requires an appropriation of \$25,000 General Fund for information technology services related to homeschool coding.

**Description of Amendments in This Packet**

**J.002** Staff has prepared amendment **J.002** (attached) to amend the Education Committee Report to adjust the appropriations to align with the bill as amended by the committee report (an addition of \$1.0 million reappropriated funds from the CSI Mill Levy Equalization Fund and the elimination of an appropriation of \$25,000 General Fund related to homeschool coding).

**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 \$3,373,071 for FY 2022-23, with an estimated ongoing impact of \$3,877,888 in FY 2023-24, reducing the \$40.0 million set aside by \$3,373,071.

*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.