

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

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

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

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Appropriation Items of Note

Appropriation Already Added to Bill, No Amendment in Packet

General Fund Impact

Significant Cost Increase in Second Year

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 04/26/23.

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
None	

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$269,133,255 to the Department of Education for FY 2023-24, including \$2,500,000 General Fund (and the same amount of reappropriated funds), \$240,756,759 cash funds from the State Education Fund, and \$23,376,536 cash funds from the Mill Levy Override Match Fund. The provision also adjusts the Long Bill footnote specifying the portion of total program funding that is anticipated to be available to support the Teacher Recruitment Education and Preparation (TREP) program to align with the bill's adjustment to total program funding. Finally, this provision also states that the appropriation is based

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on the assumption that the Department will require an additional 0.7 FTE. The following table shows the total appropriation included in the reengrossed bill.

S.B. 23-287: FY 2023-24 Appropriations to Department of Education		
Purpose	Amount	FTE
<i>Section 23: CSI Mill Levy Equalization</i>		
General Fund	\$2,500,000	0.0
Reappropriated Funds	2,500,000	0.0
<i>Section 24: State Aid to Charter School Facilities</i>		
State Education Fund	\$10,000,000	0.0
<i>Section 25: Translation Services for Individualized Education Programs</i>		
State Education Fund	\$500,000	0.0
<i>Section 26: State Education Fund Appropriations</i>		
(a) State Share of Districts' Total Program Funding	\$188,490,019	0.0
(b) Additional Funding for Rural Districts and Institute Charter Schools	30,000,000	0.0
(c) Universal Screening for Gifted and Talented Students	1,058,115	0.0
(d) School Finance Task Force ¹	408,625	0.7
(e) Distributions Associated with American Indian Mascots	300,000	0.0
Total -Section 21 (State Education Fund)	\$220,256,759	0.7
<i>Section 27: Mill Levy Override Matching Program</i>		
Cash Funds - Mill Levy Override Match Fund	\$23,376,536	0.0
<i>Section 28: Adjustments to Long Bill Footnote Detailing Funding for the TREP Program</i>		
<i>Section 29: Preschool Special Education Funding</i>		
State Education Fund	\$10,000,000	0.0
Totals	<u>\$269,133,295</u>	<u>0.7</u>
General Fund	2,500,000	0.0
Cash Funds - State Education Fund	240,756,759	0.7
Cash Funds - Mill Levy Override Match Fund	23,376,536	0.0
Reappropriated Funds	2,500,000	0.0

¹ The appropriation of \$408,625 cash funds from the State Education Fund for the school finance task force is available to the Department through FY 2024-25 without further appropriation.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2023-24 based on the March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes two set-asides for legislation outside of the package: (1) \$30.0 million General Fund for bills that create ongoing obligations; and (2) \$469.0 million for bills that create one-time obligations for FY 2023-24 (see table below).

General Fund Appropriation Placeholders for Other 2023 Legislation	
Description	FY 2023-24
Legislation with Ongoing Fiscal Impacts	\$30,000,000
Legislation with One-time Fiscal Impacts	
Workforce-related legislation, including free credentials, math scholarships, adult education, and concurrent enrollment	103,000,000
Housing-related legislation, including property tax relief, land use, and public-private partnerships	221,000,000
Legislation related to topics other than workforce and housing, including rural opportunity, line of duty loss, and Proposition 122 implementation	145,000,000
Subtotal	\$469,000,000
TOTAL Placeholders for Other 2023 Legislation	\$499,000,000

The budget package accounts for the 15.0 percent reserve associated with the above placeholders (a total of \$74.9 million).

This bill creates an ongoing obligation and requires a General Fund appropriation of \$2,500,000 for CSI Mill Levy Equalization for FY 2023-24, reducing the \$30.0 million set aside by the same amount. The reengrossed bill is projected to require an appropriation of \$22,157,804 for this purpose in FY 2024-25.

State Education Fund

The Joint Budget Committee (JBC) has proposed a budget package for FY 2023-24 based on the March 2023 Office of State Planning and Budgeting revenue forecast. The JBC has included as part of its FY 2023-24 budget package \$1,558,115 cash funds from the State Education Fund to be appropriated for implementation of this bill.

Future Fiscal Impact

This bill currently includes appropriations of \$2,500,000 General Fund and \$240,756,759 cash funds from the State Education Fund for FY 2023-24. In addition, it includes a transfer of \$23,376,536 from the State Education Fund, for a total General Fund/State Education Fund impact of

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\$266,633,295 for FY 2023-24. However, the Revised Fiscal Note expects the General Fund/State Education Fund impact to increase to \$539,512,453 in FY 2024-25.