

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING ENSURING THAT A SCHOOL DISTRICT DOES NOT LOSE TOTAL PROGRAM FUNDING AS A RESULT OF THE INCLUSION OF MULTI-DISTRICT ON-LINE PUPILS IN THE CALCULATION OF THE SCHOOL DISTRICT'S SIZE FACTOR.

Prime Sponsors: Sens. Scheffel and Carroll
Reps. Wilson and Fields

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/28/15.

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
J.001	Staff-prepared appropriation amendment
L.003/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation
L.004	Bill Sponsor amendment - does not changes 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 \$2,526,309 General Fund to the Department of Education for FY 2015-16.

L.003 and J.002

Bill Sponsor amendment **L.003** (attached) adds a provision specifying that the costs under the bill are eligible for funding from the State Education Fund. Staff has prepared amendment **J.002** (attached) to add a provision appropriating \$2,526,309 cash funds from the State Education Fund to the Department of Education for FY 2015-16. **If the**

Committee adopts amendment L.003 and amendment J.002, it should not adopt amendment J.001.

L.004 Bill Sponsor amendment **L.004** (attached) adjusts the statutory total program funding amount (as adjusted by S.B. 15-267 (School Finance)) to reflect the increase in total program funding required by this bill. **The Committee should adopt amendment L.004 with either amendment J.001 or amendment J.002.**

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2015-16 based on the March 2015 Legislative Council Staff revenue forecast. The budget package allocates a total of \$18.5 million General Fund to be available to fund 2015 legislation. If the full \$18.5 million is not used to fund legislation, it will remain in the General Fund reserve.

State Education Fund Impact

With amendments L.003 and J.002, this bill would require an appropriation of \$2.5 million from the State Education Fund for FY 2015-16. Based on the Legislative Council Staff March 2015 Revenue Forecast, and incorporating appropriations in the FY 2015-16 Long Bill (S.B. 15-234), it is projected that approximately \$300.5 million would remain in the State Education Fund at the end of FY 2015-16. However, that balance is the result of significant transfers of one-time funding from the General Fund, including \$1.074 billion in FY 2013-14, and annual appropriations from the State Education Fund currently exceed annual revenues. For example, the FY 2015-16 Long Bill appropriates \$935.3 million in funds that originate in the State Education Fund (including funds transferred from the State Education Fund to other cash funds), while annual revenues pursuant to Amendment 23 are projected to be \$538.0 million in FY 2015-16 – a revenue shortfall of \$397.3 million or 42 percent of Long Bill appropriations. The use of additional State Education Fund moneys in FY 2015-16 will reduce the amount available in subsequent years and require additional General Fund appropriations once one-time funding in the State Education Fund is depleted.