

FISCAL NOTE

	FY 2021	FY 2022	FY 2023
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
SCHOOL FOUNDATION FUND	\$800,000	\$900,000	\$1,400,000

	FY 2021	FY 2022	FY 2023
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure (decrease)			
SCHOOL FOUNDATION FUND	(\$7,300,000)	(\$9,200,000)	(\$14,600,000)

Source of revenue increase and expenditure (decrease):

This bill modifies separate components of the education resource block grant model (K-12 funding model) in two ways: 1) limits each school district's FY 2021 transportation operations reimbursement to the amount actually expended in school year 2018-2019; and 2) modifies the K-12 funding model's health insurance calculation by limiting any increase in the health insurance component from FY 2020, to those school district employees actually enrolled in a school district's health insurance plan and is funded by the K-12 funding model.

The estimated absolute impact of the change to the transportation component of the K-12 funding model is an expenditure decrease of \$2.9 million in FY 2021 and the estimated absolute impact of the change to the health insurance component of K-12 funding model is an expenditure decrease of \$5.2 million in FY 2021, \$10.1 million in FY 2022 and \$16.0 million in FY 2023. The decreased expenditures from the School Foundation Program Account occur in the form of decreased entitlement payments and the increased revenues occur in the form of increased recapture payments.

Assumptions:

Transportation expenditures are assumed to increase 4% in school year 2019-2020 or \$2.9 million, using school year 2018-2019 expenditures as the base year.

The health insurance component in the K-12 funding model under current law is estimated to increase by approximately \$1,968, \$3,853, and \$5,926 per K-12 funding model full-time equivalent position for FY 2021, FY 2022 and FY 2023, respectively. This bill limits this increase to only those K-12 funding model staff in a school district participating in the school district's health insurance plan, approximately 9,844 staff as of October 1, 2019.

Prepared by: Matthew Willmarth, LSO Phone: 777-7881
 (Information provided by Kim Morrow, Department of Education, 777-3572)