

# FISCAL NOTE

**Bill #:** HB0032

**Title:** Address high school dropouts by increasing age for ANB

**Primary**

**Sponsor:** Bob Lawson

**Status:** Proposed Second Reading

\_\_\_\_\_  
Sponsor signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chuck Swysgood, Budget Director

\_\_\_\_\_  
Date

## Fiscal Summary

|  | <b><u>FY2002</u></b><br><b><u>Difference</u></b> | <b><u>FY2003</u></b><br><b><u>Difference</u></b> |
|--|--|--|
| <b>Expenditures:</b>                       |  |  |
| General Fund                               | 0  | 671,780  |
| <b>Revenue:</b>                            | 0  | 0  |
| <b>Net Impact on General Fund Balance:</b> | <b>\$0</b>                                       | <b>(\$671,780)</b>                               |

| <b><u>Yes</u></b> | <b><u>No</u></b> |                                  | <b><u>Yes</u></b> | <b><u>No</u></b> |                               |
|-------------------|------------------|----------------------------------|-------------------|------------------|-------------------------------|
|                   | X                | Significant Local Gov. Impact    |                   | X                | Technical Concerns            |
|                   | X                | Included in the Executive Budget |                   | X                | Significant Long-Term Impacts |
|                   | X                | Dedicated Revenue Form Attached  |                   | X                | Family Impact Form Attached   |

## Fiscal Analysis

### ASSUMPTIONS:

1. Under current law, the average number belonging (ANB) in K-12 public schools will be as follows:

|           | <b><u>FY2001</u></b> | <b><u>FY2002</u></b> | <b><u>FY2003</u></b> |
|-----------|----------------------|----------------------|----------------------|
| K-6 ANB   | 79,901               | 78,169               | 76,405               |
| 7-8 ANB   | 26,113               | 25,459               | 25,147               |
| 9-12 ANB  | <u>51,524</u>        | <u>51,046</u>        | <u>50,795</u>        |
| Total ANB | 157,538              | 154,673              | 152,347              |

2. Based on the October 2000 enrollment count, school districts enrolled 231 students who turned 19-years old on or before September 10, 2000. OPI is not able to identify the number of students who are at least 19 years old and less than 22 years old. For purposes of this fiscal note, the assumption is made that all of these students will be included in the ANB count. Of these students, 186 are students in need of special education services.
3. If HB32 is approved, the 9-12 ANB count will increase by .45% for FY2003.
4. Under current law, direct state aid will be \$312.304 million in FY 2003. Special education payments will be \$33,899,850 in FY 2003. Guaranteed tax base aid paid to schools will be \$94.362 million in FY2003.
5. Under HB32, direct state aid will be \$312.800 million in FY2003. Guaranteed tax base aid paid to schools will be \$94.509 million in FY2003.
6. HB32 will not significantly impact the enrollment rates of students who are 19 years old or older in the 2000-2001 or 2001-2002 school year.

FISCAL IMPACT:

|  | <u>FY2002</u><br><u>Difference</u> | <u>FY2003</u><br><u>Difference</u> |
|--|------------------------------------|------------------------------------|
| <u>Expenditures</u>  |                                    |                                    |
| Transfers - DSA  | 0                                  | 496,003                            |
| Transfers - GTB  | <u>0</u>                           | <u>175,776</u>                     |
| TOTAL  | \$0                                | \$671,780                          |
| <u>Funding:</u>  |                                    |                                    |
| General Fund (01)  | \$0                                | \$671,780                          |
| <u>Net Impact to Fund Balance (Revenue minus Expenditure):</u> |                                    |                                    |
| General Fund (01)  | \$0                                | (\$671,780)                        |

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

HB 32 increases a school districts general fund budget authority. This increase will provide school districts with up to \$1.1 million in additional general fund spending authority, which will be funded through the above state general fund, increases in property taxes or other local revenues. Voter approval will be required for any increases in local property taxes.

LONG-RANGE IMPACTS:

If HB32 has the effect of keeping students from dropping out before graduation, the number of students who are 19 years of age or older and enrolled in K-12 public schools is likely to increase. It is not unknown how the ANB funding for older students will affect dropout rates.