

FISCAL NOTE

Bill #: HB0358

Title: Allow opening or reopening of school in mid-year

Primary Sponsor: Keith Bales

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:		
General Fund	\$7,407	\$0
Net Impact on General Fund Balance:	(\$7,407)	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
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. When opening mid-year, a school district would be entitled to receive a prorated share of the direct state aid for the basic and per-student entitlements. The percentage would be based on the number of pupil instruction days the school will operate compared to 180 days (normal school year).
2. An opening or reopening school will have at least 2 enrolled students, which will qualify for 3 ANB (2 X $187/180 = 2.07$ which is rounded up to 3.)
3. A school opening mid-year will not be entitled to receive state special education funding, which is allocated based on the number of ANB for budgets set at the opening of the school year.
4. Each year, one elementary school having 2 students will reopen midway through the school year. The schools will open in early December, planning to operate 100 pupil instruction days.

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5. Of the 2 reopening schools, one of the schools is non-operating in FY 2000-01. For the non-operating school that reopens, the state will have additional cost for one year only, since the cost of funding open schools is covered by the current appropriation. For the operating school that reopens, the cost is already included in the current appropriation and would not be considered an increased cost.
6. Costs of transportation will remain the same, as students are either transported to a neighboring school or to the reopened school.
7. When the schools reopen, the state will pay each school direct state aid totaling \$7,407 [(basic entitlement \$18,540 + per-student entitlement \$11,288) X 44.7% = \$13,333 X 100/180 = \$7,407].

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<u>Expenditures:</u>		
Flowthrough	\$7,407	\$0
<u>Funding:</u>		
General Fund (01)	\$7,407	\$0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$7,407)	\$0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The county would incur some costs of additional retirement contributions for teachers and other school district employees that would be employed for the reopened school. The amount would be just over 7% of the teachers' salary.

School districts with reopening schools will not have included the opening/reopening schools in their budgets. State funding will cover a portion (approximately 44.7%) Taxes levied for the school year will not include amounts needed to support a school that opens in mid-year, so the school district must use reserves to fund the new budget in excess of the state funding.