

FISCAL NOTE

Bill #: SB0094

Title: Include 40% of special education allowable cost payment in BASE budget

Primary Sponsor: Debbie Shea

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	FY2002	FY2003
	<u>Difference</u>	<u>Difference</u>
Net Impact on General Fund Balance:	\$0	\$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. The present law projections for K-12 BASE aid assume that all school districts will include 40% of special education funding in the BASE budget in FY2002 and FY2003. SB94 has no impact on the present law projections for special education or the BASE budgets of school districts. Therefore, SB94 has no effect on state support for schools through direct state aid or guaranteed tax base aid.
2. The state special education appropriation for schools is assumed to be \$33,899,850 annually for FY2002 and FY2003. Of this amount, \$32,388,487 will be included in school district budgets for the purpose of calculating the maximum general fund budgets of school districts.
3. SB94 increases a school districts budget authority for special education from 153% of the state special education payment to 200% of the state special education payment. This increase will provide school districts with up to \$15,222,600 in additional district general fund spending authority, which will be funded through increases in property taxes or other local revenues.
4. As district general fund budgets rise, increased salaries will lead to higher district retirement costs and undetermined increases in countywide retirement levies and state general fund retirement GTB costs. The current state general fund retirement GTB obligation is \$20 million per year.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

SB94 increases a school districts budget authority for special education from 153% of the state special education payment to 200% of the state special education payment. This increase will provide school districts with up to \$15,222,600 in additional general fund spending authority, which will be funded through increases in property taxes or other local revenues. Voter approval will be required for any increases in local property taxes.