

FISCAL NOTE

Bill #: SB 231

Title: Revise ANB to include pupils educated via distance learning

Primary

Sponsor: Duane Grimes

Status: As Introduced

Sponsor signature

Date

Chuck Swysgood, Budget Director

Date

Fiscal Summary

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
Expenditures:		
General Fund	\$0	\$311,958
Net Impact on General Fund Balance:	\$0	(\$311,958)

<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. In FY 2000, there were approximately 3,450 home-school students in Montana. Of these students, 2,644 were elementary-age students and 803 were high school-age students.
2. SB 231 expands the definition of ANB to include students, not currently enrolled in a public school, who participate in an accredited program of a district through the electronic delivery of the academic program. If these students enroll on a part-time basis each will generate .5 ANB for the district of attendance. If they enroll on a full-time basis, each will generate 1 ANB for the district of attendance.
3. The Board of Public Education will establish accreditation standards for distance learning programs. Most school districts will not be prepared to offer classes via distance learning by the fall of 2001 (FY 2002).
4. ANB payments are lagged one year. Enrollment in FY 2002 will receive ANB entitlements in FY 2003.
5. It is assumed that enrollment of home-school students in distance learning courses in FY 2002 (FY 2003 ANB) biennium will total 26 elementary ANB (1% of 2,644 elementary home school students) and 80 high school ANB (10% of 804 high school home-school students).

(continued)

6. State support per ANB for the district general fund will average \$2,943 in FY2003. The annual cost of 106 additional ANB at \$2,943/ANB is \$311,958.
7. Students who enroll in distance learning courses outside their district of residence may be required to pay tuition, which would reduce property taxes in the district of attendance and state GTB costs. The state GTB savings from tuition payments are unknown.

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<u>Expenditures:</u>		
Local Assistance	\$0	\$311,958
<u>Funding:</u>		
General Fund (01)	\$0	\$311,958
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$0	(\$311,958)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

School districts that choose to offer distance learning will have increased ANB, increased budget authority, and increased costs associated with them. Funding for the additional students will come from state sources as shown above, and district property taxes.

LONG-RANGE IMPACTS:

In the long term, it is anticipated that some portion of the home-school students and individuals that dropped out of school will opt to take courses from public schools via distance learning. The number of additional students will depend on the response of school districts toward meeting the demands of these populations. Additional costs for local districts and the state will be incurred for each additional student.

TECHNICAL NOTES:

1. SB 231 does not clearly provide that students who live outside the county of attendance will not be eligible for state payment of tuition costs.
2. OPI will not know if a student is enrolled in more than one district. This problem exists currently and would expand under the provisions of SB 231.