FISCAL NOTE

Bill #: SB0457

Title: Authorize use of impact aid for school bonding

Primary Sponsor: Don Ryan

Status: As Introduced

Sponsor signature Date

Chuck Swysgood, Budget Director Date

Fiscal Summary

	FY2002 Difference	FY2003 Difference
Net Impact on General Fund Balance:	**$0**	**$0**

Yes	No		Yes	No	
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. It is assumed that if a school district chooses to transfer federal impact aid moneys to the debt service fund, these moneys will be used to cover the local share of the debt service obligation.
2. The total facilities payment obligation of the state will increase to the extent that school districts that were not able to get voter approval prior to this bill are now able get voter approval to bond and build school facilities using impact aid funds.
3. Under 20-9-346, MCA the total facilities payment obligation of the state is prorated to fit the appropriation. For the purposes of this fiscal note it is assumed the appropriation is not increased.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The Governor's budget contains $4.35 million in FY02 and $4.70 million in FY03 for facilities debt service reimbursement. If state facilities obligations are greater than this amount the payments will need to be prorated to the eligible districts. One school that may choose to take advantage of this bill, that has very low taxable value would be eligible for $394,000 of reimbursements. In the first year of the bond payments the district is eligible for an advance and a regular payment, or twice this amount. Unless the state adds general fund to this appropriation, this single additional obligation would reduce the payments to all other districts currently receiving funds by approximately 17% in the first year and 8% each year there after. Increased local contribution will need to make up the difference.