

Fiscal Note Request HB0415, As Introduced

(continued)

2. HB 415 defines the “basic system” as the minimum operating revenue for the elementary and high schools in each district. The term does not include any revenue required for debt retirement, payment of costs related to adult education, kindergarten, a recreation program, a school lunch program, new buildings, property or transportation. For FY2007 biennium, the following amounts are included in the Executive Budget for the expenditures listed above.

Executive Budget	FY2006	FY2007
School Facility Payments	\$ 11,783,334	\$ 11,814,936
Adult Education	\$ 275,000	\$ 275,000
School Lunch Programs	\$ 648,653	\$ 648,653
Pupil Transportation	\$ 12,142,550	\$ 12,242,550
Total	\$ 24,849,537	\$ 24,981,139

3. Funding for half-day kindergarten programs is currently included in the appropriation for K-12 BASE Aid. If the education of Kindergarten students is no longer funded by the state, the state general fund savings are estimated to decrease by \$14,550,000/year. [10,500 students x .5 x \$2771/student]
4. HB 415 does not remove statutory provisions in law to fund the services provided in assumptions 2 and 3. It also does not eliminate funding for services in assumptions 2 and 3. The services provided in assumptions 2 and 3 will continue to be funded, but will not be required as a part of the “a basic system of free quality public elementary and secondary schools”.
5. Current law does not contain the components of a basic system as defined by HB 415. Current services offered by schools may, to some degree, achieve the outcomes listed in HB 415.

LOCAL SCHOOL DISTRICT IMPACT:

It is unknown what impact the bill would have on local school districts. Further legislative actions resulting from HB 415 may have significant local district impacts.

TECHNICAL NOTES:

Current law requires districts to provide facilities and transportation. If the state discontinued its support for facilities and pupil transportation, it would create an unfunded mandate to school districts.

If the state discontinues its support for adult education and school lunch programs, it will not meet the federal match requirement for these programs, thus jeopardizing \$51 million in federal school lunch support and \$2.48 million in adult basic education programs.