GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	SB0014	**Title:**	Provide ANB funding for 19 year olds
Primary Sponsor:	Wanzenried, David E	**Status:**	As Amended in Senate Committee

- ☐ Significant Local Gov Impact
- ☑ Needs to be included in HB 2
- ☐ Technical Concerns
- ☐ Included in the Executive Budget
- ☐ Significant Long-Term Impacts
- ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2014 Difference	FY 2015 Difference	FY 2016 Difference	FY 2017 Difference
Expenditures:				
General Fund	$404,429	$456,454	$464,255	$481,157
Revenue:				
General Fund	$0	$0	$0	$0
Net Impact-General Fund Balance:	($404,429)	($456,454)	($464,255)	($481,157)

Description of fiscal impact: SB 14 would provide state K-12 BASE Aid funding to school districts for eligible enrolled students to age 19. The additional cost to general fund would be $860,881 for the 2015 biennium.

FISCAL ANALYSIS

Assumptions:

1. School districts report enrollment for all students, including those who are 19 years of age or older. For the 2011-2012 school year (FY 2012), schools reported 120 students in the fall and 97 students in the spring who were 19 years of age or older. These enrollments generate 113 additional high school ANB when they are included in the calculation of average number belonging (ANB).
2. SB 14 is effective on passage and approval and applies to the school fiscal year that begins July 1, 2013. The students who are 19 years of age and older in the 2012-13 school year would generate additional ANB beginning in FY 2014. OPI estimates that "current year" ANB will increase by 113 ANB in FY 2014 and 112 ANB in FY 2015. These increases in current year ANB, in conjunction with 3-year ANB averaging as provided by law, translate into increases in the "budget limitation" ANB of 91 in FY 2014 and 113 in FY 2015. The budget limitation ANB are the counts that determine state support for schools and the general fund budget limits for school districts.

3. OPI estimates that the additional ANB will increase state support for schools by increasing Direct State Aid, Guaranteed Tax Base aid, and the Indian Education for All payment.
4. As amended, SB 14 limits the number of high school ANB that may be added to a district by the enrollment of 19 year old students to no more than 40 ANB or a 3% increase, whichever is less. An exception is made that a school may add up to 3 ANB without being subject to the 3% cap.
5. Currently, no school districts enroll more than 40 19-year olds. In three school districts, the number of 19 year old students exceeds 3% of the high school enrollment, but the total enrollments are small enough that a fluctuation of 1 or 2 enrolled 19-year olds will put the district above or below the 3% cap.

	FY 2014 Difference	FY 2015 Difference	FY 2016 Difference	FY 2017 Difference
Fiscal Impact:				
FTE	0.00	0.00	0.00	0.00
Expenditures:				
Local Assistance (DSA)	$254,994	$323,523	$331,205	$340,019
Local Assistance (GTB)	$147,578	$130,626	$130,745	$138,813
Local Assistance (Indian Ed Ongoin	$1,857	$2,305	$2,305	$2,325
TOTAL Expenditures	$404,429	$456,454	$464,255	$481,157
Funding of Expenditures:				
General Fund (01)	$404,429	$456,454	$464,255	$481,157
TOTAL Funding of Exp.	$404,429	$456,454	$464,255	$481,157
Revenues:				
General Fund (01)	$0	$0	$0	$0
TOTAL Revenues	$0	$0	$0	$0
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
General Fund (01)	($404,429)	($456,454)	($464,255)	($481,157)

Effect on County or Other Local Revenues or Expenditures:

1. There is no anticipated county impact; however, there could be a $35,000 local tax impact in FY 2014 and an ongoing local tax impact beginning in FY 2015 of about $100,000.

Sponsor's Initials	*Date*	*Budget Director's Initials*	*Date*