



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0178	Title:	Revise laws regarding vo-tech mill allocation
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Primary Sponsor:	Moe, Mary Sheehy	Status:	As Introduced
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- 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

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Other	\$1,199,000	\$1,250,000	\$1,295,125	\$1,343,433
Revenue:				
General Fund	(\$1,199,000)	(\$1,250,000)	(\$1,295,125)	(\$1,343,433)
Other	\$1,199,000	\$1,250,000	\$1,295,125	\$1,343,433
Net Impact-General Fund Balance:	<u>(\$1,199,000)</u>	<u>(\$1,250,000)</u>	<u>(\$1,295,125)</u>	<u>(\$1,343,433)</u>

Description of fiscal impact: SB 178 requires county treasurers to remit vo-tech mill levies directly to the 2-year post-secondary institutions in their counties rather than the state general fund.

FISCAL ANALYSIS

Assumptions:

- Official revenue forecasts estimate vo-tech property tax revenue to the general fund to be \$1.199 million in FY 2016 and \$1.250 million in FY 2017. The Office of Budget and Program planning estimates this revenue to grow 3.61% in FY 2018 and 3.73% in FY 2019, implying revenue to be \$1.295 million in FY 2018 and \$1.343 million in FY 2019.
- SB 178 will redirect this revenue from the general fund to the local 2-year post-secondary institutions in a particular county.

3. As required by the bill, at least one-half of the mill levy will be used to provide tuition assistance to residents of the county attending the institution.
4. It is assumed that the 2-year institution will use the remainder of the mill levy revenue to fund personal services and operating expenses for instructional programs.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$449,625	\$468,750	\$485,672	\$503,788
Operating Expenses	\$149,875	\$156,250	\$161,890	\$167,929
Waivers & Scholarships	\$599,500	\$6,250,000	\$647,563	\$671,716
TOTAL Expenditures	<u>\$1,199,000</u>	<u>\$1,250,000</u>	<u>\$1,295,125</u>	<u>\$1,343,433</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$1,199,000	\$1,250,000	\$1,295,125	\$1,343,433
TOTAL Funding of Exp.	<u>\$1,199,000</u>	<u>\$1,250,000</u>	<u>\$1,295,125</u>	<u>\$1,343,433</u>
<u>Revenues:</u>				
General Fund (01)	(\$1,199,000)	(\$1,250,000)	(\$1,295,125)	(\$1,343,433)
Other	\$1,199,000	\$1,250,000	\$1,295,125	\$1,343,433
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,199,000)	(\$1,250,000)	(\$1,295,125)	(\$1,343,433)
Other	\$0	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date