



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # SB0272

Title: Encourage Indian language immersion schools

Primary Sponsor: Windy Boy, Jonathan

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
Expenditures:				
General Fund	\$0	\$44,677	\$98,460	\$99,248
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>(\$44,677)</u>	<u>(\$98,460)</u>	<u>(\$99,248)</u>

Description of fiscal impact: SB 272 encourages school districts to create Indian language immersion schools and programs. Based on a projection of one new school beginning in FY 2017 and a second new school in the 2019 biennium, the estimated cost is \$44,677 for the 2017 biennium and \$197,708 for the 2019 biennium.

FISCAL ANALYSIS

Assumptions:

1. SB 272 encourages current school districts to create Indian language immersion programs and schools.
2. Immersion program is defined in the bill as a program where all participating students receive content area instruction in an Indian language at least 50% of the day from teachers who are fully proficient in the languages and the goal of the program is perpetuating cultural integrity and promoting bilingualism and biliteracy.
3. Immersion schools are defined to mean a school in which all students in attendance participate in an Indian language immersion program.
4. In defining eligible districts, SB 272 identifies districts encompassing or adjacent to reservations, currently there are 59 districts with at least some portion of the boundary lying within a reservation boundary, of these, 41 are completely encompassed by the reservation boundary.
5. Additionally, SB 272 qualifies districts as eligible if the American Indian student enrollment is 10% or greater. OPI has identified 88 districts with 10% or greater American Indian enrollment or 21.67% of the districts in the state of Montana as eligible under this provision.

6. Currently, there are 93 individuals who hold an active Class 7 Native American Language and Culture Educator License. These individuals are endorsed in ten Native languages, including Assiniboine, Blackfeet, Cheyenne, Chippewa, Cree, Crow, Dakota, Gros Ventre, Kootenai, and Salish.
7. For FY 2015, there are three Native language immersion schools in Montana serving students in grades K-12. These schools are Nkwusm Salish Language School (Lake County), White Clay Immersion School (Blaine County), and Cuts Wood School (Glacier County). For the purposes of this fiscal note, OPI does not assume these schools will become part of the public school system.
8. The present law inflation applied to the Basic and Per-ANB Entitlements, the Quality Educator, Indian Education for All, American Indian Achievement Gap, Data for Achievement, and the At Risk Components (20-9-326, MCA) is 2.33% in FY 2016 and 1.79 % in FY 2017. For the present law budget, entitlements, and components are set as follows:

<u>Basic Entitlements</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Elementary Basic	\$50,000	\$50,895	\$51,526	\$52,093
Middle School Basic	\$100,000	\$101,790	\$103,052	\$104,186
High School Basic	\$300,000	\$305,370	\$309,157	\$312,558

<u>Basic Entitlement Increments</u>				
Elementary (Each 25 ANB > 250 ANB)	\$2,500	\$2,545	\$2,576	\$2,605
Middle School (Each 45 ANB > 450 ANB)	\$5,000	\$5,090	\$5,153	\$5,209
High School (Each 80 ANB past 800 ANB)	\$15,000	\$15,269	\$15,458	\$15,628

<u>Components</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Indian Education for All	\$20.88	\$21.25	\$21.51	\$21.75
American Indian Achievement Gap	\$205	\$209	\$212	\$214
Quality Educator	\$3,113	\$3,169	\$3,208	\$3,243

9. For purposes of this fiscal note, it is assumed that one elementary school district will create an immersion program within the elementary school in the 2017 biennium with an enrollment of 30 students. The first year that a district would be prepared to enroll students in a new immersion program is FY 2017. A second immersion school is projected to begin in the 2019 biennium.
10. It is assumed that each program will have two qualified full-time class 7 licensed educators. Per SB 272, an additional quality educator payment is provided to the district for each class 7 licensed educator teaching an immersion program.
11. SB 272 provides two additional American Indian achievement gap payments for each Indian student enrolled in an immersion program. The bill also provides two additional Indian education for all payments for each non-Indian student enrolled in an immersion program.
12. A school district with an Indian immersion school qualifies for an additional basic entitlement as per the provisions in SB 272.
13. Eligible districts identified in SB 272 that increase graduation rates by 5% qualify for additional American Indian achievement gap payments participating in the Indian language immersion program. These increases would not be expected to occur in the first three years of the elementary programs.
14. School district increases to the basic entitlement, quality educator payment, Indian education for all payments, and American Indian achievement gap payments would become part of the school district general fund budget calculation. There could be an increase to state costs for direct state aid (DSA) which is calculated in part using the basic entitlement. There could be an increase to state costs for guaranteed tax base aid (GTB) which is based in part on all the funding components.
15. It can be assumed that the costs for additional programs would be similar depending on the number of students, teachers, and the particular district wealth effecting GTB.

Secretary of State

16. This bill will have minimal cost for postage and administrative duties related to tribal notifications in Section 7 of the bill. The Office of the Secretary of State does not receive general fund monies for office operations, but has agreed to assume the fiscal responsibility for this bill.

	<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>				
Local Assistance (DSA)	\$0	\$22,750	\$46,064	\$46,571
Local Assistance (GTB)	\$0	\$8,681	\$25,553	\$25,560
Local Assistance (Achieve Gap)	\$0	\$6,270	\$12,720	\$12,840
Local Assistance (Quality Educator)	\$0	\$6,338	\$12,832	\$12,972
Local Assistance (Indian Ed for All)	\$0	\$638	\$1,291	\$1,305
TOTAL Expenditures	<u>\$0</u>	<u>\$44,677</u>	<u>\$98,460</u>	<u>\$99,248</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	<u>\$0</u>	<u>\$44,677</u>	<u>\$98,460</u>	<u>\$99,248</u>
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$44,677</u>	<u>\$98,460</u>	<u>\$99,248</u>
<u>Revenues:</u>				
General Fund (01)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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)	\$0	(\$44,677)	(\$98,460)	(\$99,248)

Effect on County or Other Local Revenues or Expenditures:

1. It is estimated that local property taxes could increase by approximately \$8,000 in FY 2017 and \$25,000 in FY 2018 and beyond. Increases in FY 2018 would be related to changes in state funding to school districts creating decreases in GTB subsidy funding.

Technical Notes:

1. The calculation in 2(a)(i) is unclear as whether an individual student generates two or three gap payments.

Sponsor's Initials

Date

Budget Director's Initials

Date