



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2019 Biennium

Bill # HB0178

Title: Provide ANB funding for 19 year olds

Primary Sponsor: Price, Jean

Status: As Introduced

- 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 2018 Difference</u>	<u>FY 2019 Difference</u>	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>
Expenditures:				
General Fund	\$212,769	\$323,846	\$322,824	\$333,855
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u><u>(\$212,769)</u></u>	<u><u>(\$323,846)</u></u>	<u><u>(\$322,824)</u></u>	<u><u>(\$333,855)</u></u>

Description of fiscal impact: HB 178 provides state K-12 BASE Aid funding to school districts for eligible enrolled students who are 19 years of age. The bill has an estimated general fund cost of \$0.5 million for the 2019 biennium.

FISCAL ANALYSIS

Assumptions:

Office of Public Instruction (OPI)

1. Current law does not provide ANB funding for students attending K-12 public schools who are 19 years of age and older. HB 178 proposes to include 19 year old students attending high school and earning credits to meet the district's graduation requirements for a high school diploma.
2. School districts report enrollment for all students, including those who are 19 years of age. For the 2015-2016 school year, schools reported 50 students who were 19 years of age. These enrollments generate 66 additional high school ANB (average number belonging) when included in the calculation of average number belonging.
3. HB 178 is effective on passage and approval and applies to the school fiscal year that begins July 1, 2017. The students who are 19 years of age in the 2015-16 school year would generate additional ANB beginning in FY 2017. OPI estimates that "current year" ANB will increase by 66 ANB in FY 2018 and 69 ANB in FY 2019. 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 46 in FY 2018 and 69 in FY 2019. The budget limitation ANB are the counts that determine state support for schools and the general fund budget limits for school districts.

4. OPI estimates that the additional ANB will increase state support for schools by increasing direct state aid (DSA), guaranteed tax base aid (GTB), the Indian education for all payment, and the data for achievement payment.
5. OPI further anticipates that a small number of the 19 year olds will be American Indian and will generate additional American Indian Achievement Gap payment. The cost associated with this payment will be minimal.
6. HB 178 allows a school district to claim ANB for a student who has reached 19 years of age only if the student has not yet graduated and is earning credits to meet the district’s graduation requirements for a high school diploma.
7. Section 2 of HB 178 changes the age of a child admitted to school from six to five years of age on or before September 10 of the year of enrollment. Current law required school board trustee approval of five year olds to be enrolled. This change has no fiscal impact since five year olds have been approved and counted in most elementary school districts already.

	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Local Assistance (DSA)	\$139,776	\$218,605	\$219,163	\$225,406
Local Assistance (GTB)	\$71,053	\$102,301	\$100,615	\$105,316
Local Assistance (Indian Ed for All)	\$991	\$1,501	\$1,556	\$1,600
Local Assistance (Data for Achiev)	\$949	\$1,439	\$1,490	\$1,533
TOTAL Expenditures	<u><u>\$212,769</u></u>	<u><u>\$323,846</u></u>	<u><u>\$322,824</u></u>	<u><u>\$333,855</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	<u>\$212,769</u>	<u>\$323,846</u>	<u>\$322,824</u>	<u>\$333,855</u>
TOTAL Funding of Exp.	<u><u>\$212,769</u></u>	<u><u>\$323,846</u></u>	<u><u>\$322,824</u></u>	<u><u>\$333,855</u></u>
<u>Revenues:</u>				
General Fund (01)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Revenues	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$212,769)	(\$323,846)	(\$322,824)	(\$333,855)

Sponsor’s Initials

Date

Budget Director’s Initials

Date