



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2019 Biennium

Bill # HB0418

Title: Revise funding for career and vocational/technical education

Primary Sponsor: McCarthy, Kelly

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	\$5,003,000	\$5,000,000	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u><u>(\$5,003,000)</u></u>	<u><u>(\$5,000,000)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact: HB 418 changes the criteria for distribution of career and vocational/technical education (CTE) funds and appropriates \$5 million per year in the 2019 biennium for additional funds for distribution to CTE programs.

FISCAL ANALYSIS

Assumptions:

Office of Public Instruction (OPI)

1. HB 418 changes the criteria to be used by the Office of Public Instruction (OPI) to distribute secondary K-12 career and vocational/technical education (CTE) funds to schools to include “student participation in workforce development activities”
2. This bill appropriates an additional \$5 million per year for the 2019 biennium of state general fund for expanding and enhancing secondary K-12 CTEs. HB 418 also appropriates an additional \$2.5 million in FY 2019 to OPI if unaudited general fund revenue, including transfers in, for fiscal year 2018 exceed adopted HJ 2 revenue estimates by at least \$10 million. It is assumed that revenues will not exceed HJ 2 estimates by \$10 million in FY 2018, and therefore the additional \$2.5 million appropriation in FY 2019 will not be authorized.
3. The 2015 Legislature appropriated \$1.5 million per year in HB 2 base funding for CTE programs. The Executive Budgets proposes \$1.5 million per year in HB 2 base funding for the 2019 biennium.

- In order to include the criteria in the allocation formula, new data will have to be collected from schools by the OPI. The new data, professional certifications awarded to students and number of students participating in work-based programs, will be added to the existing Achievement in Montana (AIM) collection. OPI estimates it will cost \$3,000 in FY 2018 to program AIM to collect this data. This cost requires an appropriation in HB 2.

	<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>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Local Assistance (Career and Technical Ed)	\$5,000,000	\$5,000,000	\$0	\$0
Operating Expenses	\$3,000	\$0	\$0	\$0
TOTAL Expenditures	<u>\$5,003,000</u>	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$5,003,000	\$5,000,000	\$0	\$0
TOTAL Funding of Exp.	<u>\$5,003,000</u>	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
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)	(\$5,003,000)	(\$5,000,000)	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

- School districts would have to develop the systems to collect the new data and report this data to the OPI.

_____ <i>Sponsor's Initials</i>	_____ <i>Date</i>	_____ <i>Budget Director's Initials</i>	_____ <i>Date</i>
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