



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** HB0612

**Title:** Revise education laws to allow additional student eligibility due to Covid-19

**Primary Sponsor:** Buttrey, Edward

**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 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$444,137	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	\$0	(\$444,137)	\$0	\$0

**Description of fiscal impact:** HB 612 provides eligibility for twelfth-grade students who lost an opportunity for postsecondary financial aid as a result of the COVID-19 pandemic and authorizes school district trustees to admit or retain a limited number of students for an additional year of academic and athletic eligibility. The increase cost to the state general fund is approximately \$444,000 in the 2023 biennium.

### FISCAL ANALYSIS

**Assumptions:**

1. HB 612 permits the trustees of a district to admit or retain a pupil who was in their 12<sup>th</sup> grade academic year in FY 2021 and who was affected by the COVID-19 pandemic.
2. Districts defined as first-, second- and third-class districts defined in section 20-6-301, MCA, are limited to additional admitting and/or retaining 5 pupils, 4 pupils, and 3 pupils respectively.
3. *Adversity effected*, is defined as a 12<sup>th</sup> grade student who lost eligibility for, had an offer rescinded, or likely was denied the opportunity for a scholarship or other financial aid to a post-secondary institution as a result of COVID-19.
4. The table below shows the number of districts and the total additional pupils that could be included by school class as related to section 20-6-301, MCA, and HB 612.

	District Count	Additional Pupils
Class 1	29	145

**Fiscal Note Request – As Introduced**

(continued)

Class 2	79	316
Class 3	54	162

- The commissioner of Higher Education reports that approximately, 33% of Montana graduating students attend post-secondary education programs in the MUS system.
- For the purposes of this fiscal note it will be assumed that one half of the 33% will qualify under the proposed language in HB 612, 16% is applied to each “Class” category in determining the number of pupils that will be offered the additional year of education. Consequently, additional pupils will be set as follows: Class 1, 23, Class 2, 51 and Class 3, 26.
- This fiscal note assumes 100 additional enrolled pupils in FY 2022 which has no effect on the FY 2022 school funding costs, but would produce ANB funding in FY 2023 and potentially a slight effect to FY 2024 and FY 2025 due to ANB averaging however, not significant for purposes of this fiscal note.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Local Assist (Direct State Aid)	\$0	\$284,353	\$0	\$0
Local Assist (Guaranteed Tax Base Aid)	\$0	\$136,093	\$0	\$0
Local Assist (Indian Ed for All)	\$0	\$2,025	\$0	\$0
Local Assist (Data for Achievement)	\$0	\$1,939	\$0	\$0
Local Assist (Retirement GTB)	\$0	\$19,727	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$0</u>	<u>\$444,137</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$444,137	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>\$0</u>	<u>\$444,137</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	(\$444,137)	\$0	\$0

**Effect on County or Other Local Revenues or Expenditures:**

- Local property taxes could increase by \$84,000 in FY 2023.

**Technical Notes:**

- This act may, conflict with the Montana High School Association’s policies and may not be applicable to athletic eligibility.

**NOT SIGNED BY SPONSOR**

\_\_\_\_\_ 3/1/21 KA 2/25/21  
 Sponsor’s Initials                      Date                      Budget Director’s Initials                      Date