

FISCAL NOTE

	FY 2019	FY 2020	FY 2021
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
SCHOOL FOUNDATION FUND	\$1,100,000	\$1,500,000	\$1,900,000
	FY 2019	FY 2020	FY 2021
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure (decrease)			
SCHOOL FOUNDATION FUND	(\$9,000,000)	(\$10,800,000)	(\$13,800,000)

Source of revenue increase and expenditure decrease:

The source of the School Foundation Program Account (SFP) revenue increase and expenditure decrease comes from the increase in school district recapture revenue and the decrease in school district entitlement payments due to estimated decreases in the school foundation program guarantee amount through amendments to the education resource block grant funding model (funding model).

Assumptions:

The above estimates were determined using forecast funding models utilized by LSO, based on the most recent available data. The estimates consider three amendments to the funding model:

- 1) The change to the average daily membership (ADM) calculation within the funding model to provide each school the prior year ADM or the three-year average, based upon the district's prior year ADM or the three-year average, whichever is greater. Estimated impact for fiscal years 2019, 2020 and 2021 is a decrease to the foundation program guarantee of \$4.5 million, \$6.7 million and \$10.0 million, respectively. Section 5 of the bill requires the foundation program amount to be adjusted by the reduction caused by the amendment to the ADM calculation in W.S. 21-13-309(m)(iv)(A) for school years 2018-19 and 2019-20. The amounts reflect an adjustment of two-thirds (2/3) for FY 2019 and an adjustment of one-third (1/3) for FY 2020.
- 2) Modifying the groundskeepers formula to provide groundskeepers resources for district-level sites based upon ten percent of the amount calculated for elementary, middle and high school sites. Estimated impact for fiscal years 2019, 2020 and 2021 is a decrease to the foundation program guarantee of \$3.2 million, \$3.3 million and \$3.4 million, respectively.
- 3) The repeal of student assessment funding at an amount equal to \$25 per funding model ADM. Estimated impact for fiscal years 2019, 2020 and 2021 is a decrease to the foundation program guarantee of \$2.4 million, \$2.3 million and \$2.3 million, respectively.

Additional amendments contained in the bill that may have a future fiscal impact to the SFP, but are indeterminable, include:

- 1) A change to the extrahazardous worker's compensation definition for special education staff and the requirement to participate in the Department of Workforce Service programs.

- 2) The elimination of the lease-to-purchase option for school bus purchases will eliminate any leasing fees, which will yield a long-term decrease in expenditures from the SFP. Under normal bus replacement cycles there would be an initial increase in expenditures since purchases would no longer be reimbursed over five years.
- 3) The replacement of school buses utilizing Diesel Emissions Reduction Act funds would be a savings to the SFP, but the amount of funds available to be used and the number of eligible bus replacements are unknown.

The requirement to have the WDE review its rules and regulations for special education and student transportation to identify possible fiscal efficiencies including the development of statewide guidelines for special education staffing may result in a fiscal impact if implemented.