

FISCAL NOTE

	FY 2019	FY 2020	FY 2021
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
SCHOOL FOUNDATION FUND	\$7,000,000	\$6,000,000	\$5,900,000
	FY 2019	FY 2020	FY 2021
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure (decrease)			
SCHOOL FOUNDATION FUND	(\$67,400,000)	(\$66,500,000)	(\$66,300,000)

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 four 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 \$13.7 million, \$10.0 million and \$10.0 million, respectively.
- 2) Modifying the career technical education teacher formula to provide additional teachers for every 400 high school ADM. Estimated impact for fiscal years 2019, 2020 and 2021 is an increase to the foundation program guarantee of \$4.8 million, \$4.9 million and \$5.0 million, respectively.
- 3) The change class sizes: elementary school class sizes increased from 16 to 18, middle school class sizes increased from 21 to 23, and high school class sizes increased from 21 to 23. Estimated impact for fiscal years 2019, 2020 and 2021 is a decrease to the foundation program guarantee of \$48.5 million, \$50.4 million and \$50.2 million, respectively.
- 4) The change regional cost adjustment to utilize the 2017 cost of education study's regional cost adjustment, which is a comparable wage index. Estimated impact for fiscal years 2019, 2020 and 2021 is a decrease to the foundation program guarantee of \$17.0 million each year.

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