

**FISCAL NOTE**

	FY 2022	FY 2023	FY 2024
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase			
SCHOOL FOUNDATION PROGRAM ACCOUNT	\$2,400,000	\$3,700,000	\$3,500,000
	FY 2022	FY 2023	FY 2024
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Expenditure (decrease)			
SCHOOL FOUNDATION PROGRAM ACCOUNT	(\$30,000,000)	(\$37,900,000)	(\$38,400,000)

Source of revenue increase and expenditure (decrease):

This bill modifies the education resource block grant model (funding model) by eliminating funding for student activities effective school year 2021-2022 and no longer allows for state reimbursement of associated transportation expenditures.

The estimated absolute impact of the change to the foundation program amount is a decrease of \$32.4 million in FY 2022, \$41.6 million in FY 2023 and FY \$41.9 million in FY 2024. The increased revenues to the School Foundation Program Account occur in the form of increased recapture payments and decreased expenditures from the School Foundation Program Account occur in the form of decreased entitlement payments.

Assumptions:

The above estimates were determined through the use of forecast models utilized by the Legislative Service Office and are based on the most recent available data for the 2020-2021 school year. The estimated cost of student activities within the funding model is \$32.4 million in FY 2022, \$31.8 million in FY 2023 and \$31.9 million in FY 2024.

School year 2020-2021 student activity transportation expenditures are assumed to be reimbursed in FY 2022. Student activity transportation expenditures were inflated from school year 2018-2019 amounts. School year 2019-2020 was not used due to reduced expenditures due to the COVID-19 pandemic. The estimated cost of student activity transportation expenditures that would not be reimbursed and included within the foundation program amount is \$9.8 million in FY 2023 and \$10.0 million in FY 2024.