

**FISCAL NOTE**

This bill contains an appropriation of \$46,000 from the LEGISLATIVE STAB. RES. ACCT. to the Governor's Office.

This bill contains an appropriation of \$122,500 from the LEGISLATIVE STAB. RES. ACCT. to the Legislative Service Office.

DETAIL OF APPROPRIATION

Agency #: 001                      Agency Name: Governor's Office  
Unit: 0101

<b>EXPENDITURE BY SERIES AND YEAR</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
0200 Supportive Services Costs	\$0	\$28,000	\$18,000
Total Expenditure Per Year:	\$0	\$28,000	\$18,000
Grand Total Expenditure:	\$46,000		
Total Appropriated to Agency:	\$46,000		
Total Appropriated by Fund:			
LEGISLATIVE STAB. RES. ACCT.	\$46,000		

These appropriations would be expended for the payment of per diem and mileage for 3 Governor appointees to advisory committees. The above estimate assumes a total of 13 meeting days, with 8 meeting days taking place in FY18 and 5 meeting days taking place in FY19.

DETAIL OF APPROPRIATION

Agency #: 201                      Agency Name: Legislative Service Office  
Unit: 0101

<b>EXPENDITURE BY SERIES AND YEAR</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
0100 Personnel/Benefit Costs	\$0	\$38,250	\$24,250
0200 Supportive Services Costs	\$0	\$37,000	\$23,000
Total Expenditure Per Year:	\$0	\$75,250	\$47,250
Grand Total Expenditure:	\$122,500		
Total Appropriated to Agency:	\$122,500		
Total Appropriated by Fund:			
LEGISLATIVE STAB. RES. ACCT.	\$122,500		

These appropriations would be expended for the payment of salary, per diem and mileage for 16 legislators appointed to the select committee. The above estimate assumes a total of 13 meeting days, with 8 meeting days taking place in FY18 and 5 meeting days taking place in FY19.

	FY 2018	FY 2019	FY 2020
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase/(decrease)			
SCHOOL FOUNDATION PROGRAM ACCOUNT	\$4,900,000	\$145,400,000	\$207,400,000
COMMON SCHOOL LAND INCOME ACCOUNT	\$65,000,000	\$69,900,000	\$73,800,000
COMMON SCHL. RESERVE ACCT	\$103,400,000		
PERM. MINERAL TRUST FUND		(\$84,900,000)	(\$85,000,000)
GENERAL FUND		\$84,900,000	\$85,000,000
SCHOOL FOUNDATION RESERVE ACCOUNT	(\$12,700,000)	(\$3,400,000)	(\$1,600,000)

	FY 2018	FY 2019	FY 2020
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Expenditure increase/(decrease)			
SCHOOL FOUNDATION PROGRAM ACCOUNT	(\$28,300,000)	(\$53,500,000)	(\$65,300,000)
COMMON SCHL. RESERVE ACCT	\$65,000,000	\$69,900,000	\$73,800,000
GENERAL FUND		\$84,900,000	\$85,000,000
LEGISLATIVE STAB. RES. ACCT.		\$53,100,000	\$112,900,000
SCHOOL FOUNDATION RESERVE ACCOUNT	\$103,400,000		

Source of expenditure increase/(decrease) and revenue increase/(decrease):

The source of the School Foundation Program Account (SFP) revenue increase comes from: 1) the General Fund transfer pursuant to the amendments to W.S. 21-13-306 and 39-14-801 to deposit one percent (1%) of the severance tax amount that would have been transferred into the Permeant Mineral Trust Fund into the General Fund and transfer a like amount from the General Fund to the SFP, 2) the Legislative Stabilization Reserve Account (LSRA) to ensure that the SFP has a minimum of \$100 million balance at the end of each fiscal year until the LSRA ending balance is less than \$500 million, and 3) the increase in recapture revenue due to estimated decreases in the school foundation program guarantee amount through amendments to the education resource block grant funding model (funding model), which are estimated to be increases of \$4.9 million in FY 2018, \$7.4 million in FY 2019 and \$9.5 million in FY 2020.

The bill also provides for the balance in SFP reserve account to be transferred to the Common School Permanent Land Fund Spending Policy Reserve Account (CSPLF SPRA) to ensure that the Common School Land Income Account (CSLIA) is guaranteed five percent (5%) of investment income from the CSPLF SPRA. The SFP Reserve Account is repealed and the revenue from investment income in excess of three percent (3%) up to five percent (5%) that would have been deposited into the SFP Reserve Account is now deposited into the CSPLF SPRA. Note: the increase investment income directed to the CSLIA will be deposited into the SFP, but is not shown for enhanced clarity of fund flows.

The funding model amendments provides an estimated expenditure increase in the form of entitlement payments from the SFP of \$28.3 million in FY 2018, \$53.5 million in FY 2019 and \$65.3 million in FY 2020. These estimated decreases are a result of the following modifications to the funding model: 1) decreasing the required operating days from 185 to 180, which results in decreasing the funding model teacher salaries, resulting in approximately \$10.7 million for each year,

2) calibrating the non-personnel prices and formulas in the funding model to the evidence-based amounts as recommended by the Legislature's school finance consultants, resulting in approximately \$22.5 million each year, 3) starting in school year 2018-2019, special education and transportation reimbursements will be held to actual expenditure levels from school year 2016-2017, except for actual expenditures for bus purchases and leases and expenditures related to students with disabilities placed outside of a school district, resulting in estimated savings of \$13.6 million FY 2019 and \$27.7 million in FY 2020, not accounting for any change as a result of the recalibration effort of these two funding model components in the 2017 interim, 4) instructional facilitator funding is reduced by half in school year 2018-2019, resulting in savings of approximately \$11 million in FY 2019 and FY 2020, and 5) reducing district administration salaries by 10% in school year 2018-2019, resulting in savings of approximately \$3.5 million in FY 2019 and FY 2020. Finally, the salary prices in the "Attachment A" also reflect the external costs adjustments currently provided by the 2016 budget bill.

Assumptions:

The above estimates were determined through the use of forecast models utilized by LSO, based on the most recent available data for the 2016-17 school year.

The bill also amends how average daily membership (ADM) is calculated by requiring it be computed in a fractional basis using hours or class periods rather than the current methodology under Wyoming Department of Education (WDE) rules and regulations which allows a student enrolled in 50.01% or greater of hours or classes to be counted a full ADM or a student enrolled in 25.01% or greater of hours or classes to be counted a half ADM. The WDE believes this could result in savings of approximately \$5 to \$7 million each year, however, schools districts may change their policy in allowing students to enroll part-time, which would not result in a savings. The bill also amends W.S. 21-13-315 to only allow schools districts to count students that are court ordered placements among a district's ADM if the district is providing education services directly to the student. The WDE believes the savings could be approximately \$1 million each year. The fiscal impact of these amendments is not determinable. Additionally, the bill provides for a moratorium on alternative schools for two years, however, the fiscal impact of the moratorium is not determinable. Finally, the fiscal impact as a result of the recalibrations in both 2017 and 2018 interims is indeterminable

The bill also amends W.S. 39-15-104 and 39-16-104 to provide for half-penny sales and use tax that would be deposited into the SFP, following month the LSRA's balance falls below \$500 million. Under the current forecast of expenditures from the LSRA to the SFP, the LSRA is not projected to fall below \$500 million through FY 2020.

The full balance of the Permanent Land Fund Holding Account is no longer expected to be transferred to the SFP in FY 2018, but is estimated to be in FY 2019.