

**FISCAL NOTE**

	FY 2022	FY 2023	FY 2024
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase			
SCHOOL FOUNDATION PROGRAM ACCOUNT	\$2,300,000	\$2,000,000	\$10,100,000
	FY 2022	FY 2023	FY 2024
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Expenditure (decrease)			
SCHOOL FOUNDATION PROGRAM ACCOUNT	(\$26,400,000)	(\$18,900,000)	(\$102,700,000)

Source of revenue increase and expenditure (decrease):

This bill modifies the education resource block grant model's (funding model) formulae as used in fiscal year (FY) 2021 in the following ways: 1) increases core teacher class sizes by one student; 2) removes health insurance and fringe benefits from groundskeeper compensation amounts; 3) reduces the computation of the foundation program amount by \$1.0 million in FY 2022 and each year thereafter; and 4) eliminates transportation funding beginning FY 2024.

The estimated absolute impact of the changes outlined above to the foundation program amount is a decrease of \$28.7 million in FY 2022, \$20.9 million in FY 2023 and \$112.8 million in FY 2024. The increased revenues to the School Foundation Program Account (SFP) occur in the form of increased recapture payments and decreased expenditures from the SFP occur in the form of decreased entitlement payments. A corresponding expenditure decrease would also occur from the Legislative Stabilization Reserve Account (LSRA) pursuant to W.S. 9-4-219(b) that requires an amount to be transferred to the SFP from the LSRA to restore the SFP's fund balance to \$100 million.

The bill limits reimbursements for transportation and special education. Transportation reimbursements are limited to 90% percent of amounts expended by school districts in school year 2018-19, as adjusted by an external cost adjustment, unless the Department of Education provides an exception pursuant to a school district appeal. As mentioned above, beginning in FY 2024 transportation funding is eliminated. Special education reimbursements are limited amounts expended by school districts in school year 2018-19, as adjusted by an external cost adjustment, unless the Department of Education provides an exception pursuant to a school district appeal. The State Health Officer shall also certify special education amounts in excess of the limitation are necessary. The fiscal impact of these changes is indeterminable.

The bill requires central office staff to be calculated on a county-wide basis beginning in school year 2022-2023 and the State Superintendent of Public Instruction shall determine the allocation among the school districts within each county. The estimated fiscal impact of this change is a decrease in central office personnel components of approximately \$9.7 million in fiscal year 2023 and \$9.9 million in fiscal year 2024. These amounts are not reflected in the tables above as the State Superintendent has discretion in allocating these funds across school districts in the county, which may impact expenditure decreases or revenue increases

to the SFP. The State Superintendent is also required to report recommendations to the Joint Education Interim Committee on this provision.

The bill allocates the teacher components and associated funding into a categorical grant. Any unexpended funds shall revert to the SFP at the end of each fiscal year. The fiscal impact of this change is indeterminable.

Assumptions:

The above estimates were determined through the use of forecast funding models utilized by the Legislative Service Office and are based on the most recent available data for the 2020-2021 school year.

**NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED**

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Education

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