

FISCAL NOTE

This bill contains an appropriation of \$2,000,000 from the PUBLIC SCHOOL FOUNDATION PROGRAM ACCOUNT (SFP) to the Department of Education - School Finance.

DETAIL OF APPROPRIATION

Agency #: 205 Agency Name: Department of Education - School Finance
 Unit: 4101 (Foundation Basic)

EXPENDITURE BY SERIES AND YEAR	FY 2025	FY 2026	FY 2027
0600 Grant & Aid Payments	\$0	\$2,000,000	\$0
Total Expenditure Per Year:	\$0	\$2,000,000	\$0
Grand Total Expenditure:	\$2,000,000		
Total Appropriated to Agency:	\$2,000,000		
Total Appropriated by Fund:			
PUBLIC SCHOOL FOUNDATION PROGRAM ACCOUNT	\$2,000,000		

Description of appropriation:

The appropriation will be expended to offset the K-12 education resource block grant model's (K-12 funding model) anticipated entitlement expenditure increase and corresponding recapture revenue decrease that will take place in FY 2026.

	FY 2026	FY 2027	FY 2028
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase(decrease)			
PUBLIC SCHOOL FOUNDATION PROGRAM ACCOUNT	\$0	(\$400,000)	(\$400,000)

	FY 2026	FY 2027	FY 2028
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
PUBLIC SCHOOL FOUNDATION PROGRAM ACCOUNT	\$0	\$1,600,000	\$1,600,000

Source of revenue decrease and expenditure increase:

Under current law, the K-12 funding model allocates a base maintenance worker full-time equivalent (FTE) position for schools based on the average of four factors: (1) an initial 1.10 maintenance worker FTE; (2) one maintenance worker for every 60,000 allowable educational gross square feet multiplied by 1.2; (3) one maintenance worker for every 1,000 average daily membership multiplied by 1.3; and (4) one maintenance worker for every \$5,000,000 of general fund operating expenditures from school year (SY) 2004-05 multiplied by 1.2.

This bill modifies the allocation of maintenance worker positions through the routine maintenance and operations component by removing a school district's operating expenditures as one of the four factors in the base FTE position calculation. The removal of the operating expenditures factor is based upon the 2020 recalibration report. The number of maintenance worker FTE positions are

School finance-routine maintenance worker
calculation.

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estimated to increase by 29.8 FTEs in SY 2025-26, 29.6 FTEs in SY 2026-27, and 29.5 FTEs in SY 2027-28.

The estimated absolute impact to the K-12 funding model's foundation program guarantee is an increase of \$2,000,000 in FY 2026, \$2,000,000 in FY 2027, and \$2,000,000 in FY 2028. An increase to the K-12 funding model's foundation program guarantee amount will have a corresponding expenditure increase from the SFP in the form of school district entitlement payments and a corresponding revenue decrease to the SFP in the form of school district recapture payments. The entitlement expenditure increase and recapture revenue decrease anticipated in FY 2026 will be funded by the appropriation in the bill.

Assumptions:

The above estimates were determined through the use of forecast K-12 funding models utilized by the Legislative Service Office and are based on the most recent available data.

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