



Fiscal Note
S.B. 80
 2017 General Session
 School Funding Amendments
 by Fillmore, L.



General, Education, and Uniform School Funds

JR4-5-101

| | Ongoing | One-time | Total |
|---------------------------|----------------|----------|----------------|
| Net GF/EF/USF (rev.-exp.) | \$(10,000,000) | \$0 | \$(10,000,000) |

State Government

UCA 36-12-13(2)(b)

Enactment of this legislation likely will not materially impact state revenue.

| Revenues | FY 2017 | FY 2018 | FY 2019 |
|----------------|---------|---------|---------|
| Total Revenues | \$0 | \$0 | \$0 |

Enactment of this bill may cost the State Board of Education \$10.0 million ongoing from the Education Fund for each percent increase in the WPU Value appropriated by the Legislature to adjust the number of local property tax increments guaranteed through the Voted & Board Local Levy Programs as outlined in the bill. The number of tax increments guaranteed by the state will increase over time from the 20 currently guaranteed to a maximum of 38 increments. Depending on the cost of increasing the number of increments and the amount of funding allocated by the Legislature, the state guarantee rate applied to all increments guaranteed may also increase as provided in the bill. Bill provisions require the Legislature to annually appropriate an amount equal to 1/3 of the funds allocated to increase the WPU Value to increase the number of tax increments guaranteed. Based on current estimates, 1/3 of the funds to increase the WPU Value by 1 percent equals \$10.0 million. Assuming a 3 percent increase in the WPU Value appropriated in FY 2018, approximately \$30 million would be needed to implement the provisions as outlined in the bill. Estimates indicate it costs approximately \$17 million to increase the number of Board Local Levy increments guaranteed from 4 to 6 (Priority 1), \$61,000 to increase the number of Voted Local Levy increments from 16 to 18 (Priority 2), and the remaining funding would be available to increase the state guarantee rate (Priority 3). The actual amount available to implement the provisions outlined in the bill is not currently available. The actual number of new increments guaranteed and the final state guarantee rate for FY 2018 will not be available until the Legislature determines the amount of new funding to appropriate for a WPU Value increase.

| Expenditures | FY 2017 | FY 2018 | FY 2019 |
|--------------------|---------|--------------|--------------|
| Education Fund | \$0 | \$10,000,000 | \$10,000,000 |
| Total Expenditures | \$0 | \$10,000,000 | \$10,000,000 |

| | | | |
|----------------------|------------|-----------------------|-----------------------|
| Net All Funds | \$0 | \$(10,000,000) | \$(10,000,000) |
|----------------------|------------|-----------------------|-----------------------|

Local Government

UCA 36-12-13(2)(c)

School districts that qualify for state guarantee funding under the Voted & Board Local Levy Programs may see increased state funding through enactment of this legislation. The amount of funding will vary depending on the local property tax revenue generated per weighted pupil unit and if that amount is less than the state guarantee rate.

Individuals & Businesses

UCA 36-12-13(2)(d)

Enactment of this legislation likely will not result in direct, measurable expenditures by Utah residents or businesses.

Performance Note

JR4-2-404

No performance note required for this bill

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.