

Minimum School Program – FY 2020 Base Budget Appropriation from the Teacher and Student Success Account

October 16, 2018 | Public Education Appropriations Subcommittee

Overview

The Legislature appropriated \$65,150,000 one-time in FY 2019 from the Education Fund Restricted – Teacher and Student Success Account. This restricted account was created in House Bill 293, “Tax Rebalancing Revisions” (2018 General Session). Revenue into the account currently comes from a transfer from the State Education Fund.

The Legislature appropriated the following amounts into the restricted account: \$46,500,000, the equivalent of a 1.5% increase in the WPU Value, and the \$18,650,000 associated with indexing the local property tax revenue in the Basic School Program.

Issue Summary

The Legislature appropriated ongoing revenue during the 2018 General Session into the restricted account, but only appropriated funding out of the account one-time to the Minimum School Program – Flexible Allocation program. Following standard budgeting practices, this one-time funding will not be included in the FY 2020 Public Education Base Budget. As a result, the base budget will appear to be \$65,150,000 less than in FY 2019.

At the close of the 2018 General Session, the Legislature had not determined statutory language to govern the long-term distribution of this funding. A one-time appropriation accomplished three things: 1) allowed the State Board of Education to distribute the funds school districts and charter schools in FY 2019; 2) provided the Legislature an additional year to determine how funds will be distributed in the future; and, 3) signaled to school districts and charter schools that funding distribution may change beginning in FY 2020.

Recommendations

To avoid the appearance of reducing the Public Education base budget, we recommend that the Legislature direct staff to include a one-time appropriation from the Teacher and Student Success Account to the Minimum School Program – Flexible Allocation Program in the 2019 General Session, Public Education Base Budget bill for FY 2020. Since the base budget acts as the first step in the Legislative budget process, the Legislature can change this appropriation in a subsequent budget bill once it determines final distribution details for the program.