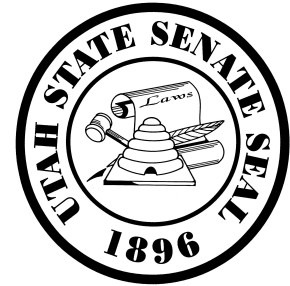




Fiscal Note
H.B. 193 1st Sub. (Buff)
 2016 General Session
 Charter School Funding Amendments
 by Powell, K. (Powell, Kraig.)



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(20,600,000)	\$6,200,000	\$(14,400,000)

State Government

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

Enactment of this bill creates the Charter School Levy Account as a restricted account in the Education Fund. This restricted account will collect the local property tax revenues associated with the Charter School Levy and be used to fund the school district contribution to the Charter School Local Replacement (CSLR) program as outlined in the bill. The amount of revenue will be based on the number of students enrolled in charter schools in the prior school year and the calculated per-student property tax revenues of the school district. In FY 2017, the estimated school district contribution to the CSLR program is estimated at \$20.2 million and will form the basis for revenues deposited into the account beginning in FY 2018.

Revenues	FY 2016	FY 2017	FY 2018
Restricted Funds	\$0	\$0	\$20,200,000
Total Revenues	\$0	\$0	\$20,200,000

Enactment of this bill may cost the State Board of Education \$14,400,000 one-time in FY 2017 and \$20,600,000 ongoing in FY 2018 from the Education Fund to pay costs associated with the Charter School Local Replacement formula changes outlined in the bill. Enactment of this bill may also provide \$20,200,000 from the Education Fund Restricted - Charter School Levy Account beginning in FY 2018 to fund the school district contribution to the program as outlined in the bill. The two sources together total \$40,800,000 in FY 2018.

Expenditures	FY 2016	FY 2017	FY 2018
Education Fund	\$0	\$20,600,000	\$20,600,000
Education Fund, One-Time	\$0	\$(6,200,000)	\$0
Restricted Funds	\$0	\$0	\$20,200,000
Total Expenditures	\$0	\$14,400,000	\$40,800,000

Net All Funds	<u>\$0</u>	<u>\$(14,400,000)</u>	<u>\$(20,600,000)</u>
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Local Government

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

Enactment of this bill creates a charter school tax levy to provide revenue a school district's contribution to the Charter School Local Replacement (CSLR) program. School districts pay a per-student amount for each resident student enrolled in a charter school as outlined in statute. Under current law, this contribution is deducted from the Minimum School Program allocation provided by the state for the school district. The dedicated property tax rate will become the revenue source for the district contribution beginning in FY 2018. The tax rate will be determined each year by the Tax Commission and set to generate the amount of revenue required by statutory formulas for the school district's total CSLR contribution. Bill provisions also require the school district to reduce its Board Local Levy rate by the same amount as the Charter School Levy to ensure the shift between the two tax rates remains revenue neutral. In FY 2017 the estimated contribution of school districts towards the cost of the CSLR program is estimated at \$20.2 million. The actual amount of revenue required to be generated by the new Charter School Levy and the corresponding tax rate will be determined at a future date as provided in the bill.

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.