



Fiscal Note
H.B. 485 1st Sub. (Buff)
 2016 General Session
 School Funding Modifications
 by Briscoe, J. (Briscoe, Joel.)



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$99,946,200	\$(99,946,200)	\$0

State Government

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

Enactment of this bill creates a new property tax rate, levied by the state, to pay for the Charter School Local Replacement rate paid for each student that enrolls in a charter school. Currently, the state and local school districts contribute approximately \$130.0 million towards the cost of the local replacement. Beginning in FY 2018, the new property tax will generate this funding and will be deposited into a new Charter School Tax Account by the State Treasurer for distribution to charter schools. The bill also transfers \$99,946,200 in Education Fund revenue appropriated to the Charter School Local Replacement program to an Education Fund Restricted - Class Size Reduction Account.

Revenues	FY 2016	FY 2017	FY 2018
Restricted Funds	\$0	\$0	\$229,946,200
Total Revenues	\$0	\$0	\$229,946,200

Beginning in FY 2018, enactment of this bill will transfer \$99,946,200 from the Education Fund supporting the Charter School Local Replacement program from the Minimum School Program to a restricted account in the Education Fund created in the bill. The bill also appropriates \$99,946,200 from the EFR - Class Size Reduction Account to fund class size reduction efforts outlined in the bill. Finally, beginning in FY 2018, approximately \$130,000,000 may be available in the Charter School Tax Account to appropriate to the Charter School Local Replacement Program.

Expenditures	FY 2016	FY 2017	FY 2018
Education Fund	\$0	\$(99,946,200)	\$(99,946,200)
Education Fund, One-Time	\$0	\$99,946,200	\$0
Restricted Funds	\$0	\$0	\$229,946,200
Total Expenditures	\$0	\$0	\$130,000,000

Net All Funds	\$0	\$0	\$99,946,200
----------------------	------------	------------	---------------------

H.B. 485 1st Sub. (Buff)

Local Government

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

Local school districts will no longer contribute an amount of funding for each resident student that attends a charter school beginning in FY 2018. The estimated statewide contribution of school districts in FY 2017 is \$20.2 million. Bill provisions allocate local replacement funding to charter schools based on their prior-year enrollment count. Currently, charter schools receive funding based on their actual fall enrollment count for the current fiscal year. This change may cause a delay in receiving local replacement funding by one year, at an estimated \$16.9 million.

Individuals & Businesses

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

Enactment of this bill creates a new property tax levy to fund the state and local school district contributions to the Local Replacement program. In FY 2017, the estimated total cost of the program is approximately \$130.0 million. The local property tax revenue collected under this tax is deposited into the Charter School Tax Account created in the bill.

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.