



Fiscal Note

S.B. 38

2016 General Session
 School Funding Amendments - As Amended
 by Stephenson, H.



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(41,500,000)	\$27,700,000	\$(13,800,000)

State Government

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

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

Revenues	FY 2016	FY 2017	FY 2018
Total Revenues	\$0	\$0	\$0

Enactment of this bill includes certain local revenue sources and expenditures in the Charter School Local Replacement formula, namely, the Voted Local Levy, Board Local Levy, Capital Outlay Programs, and local school district expenditures on community recreation activities. The bill also eliminates a 2-year lag in estimating the Local Replacement Rate by requiring the use of projected local property tax collections beginning in FY 2018. At full implementation in FY 2018, estimates indicate that the total cost to the state may increase by \$41,500,000 ongoing from the Education Fund to the Minimum School Program - Charter School Local Replacement Program. The FY 2017 amount is associated with including the revenue and expenditure sources in the formula with an estimated cost of \$13.8 million ongoing. The amount increases in FY 2018 based on growth in the included revenue and expenditure sources and projecting local property tax collections with an estimated cost of \$27.7 million ongoing.

Expenditures	FY 2016	FY 2017	FY 2018
Education Fund	\$0	\$41,500,000	\$41,500,000
Education Fund, One-Time	\$0	\$(27,700,000)	\$0
Total Expenditures	\$0	\$13,800,000	\$41,500,000
Net All Funds	\$0	\$(13,800,000)	\$(41,500,000)

Local Government

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

Statute requires school districts to contribute 25 percent of their per-pupil average district local revenues. Including additional revenue sources in the formula, will increase the local school district contribution amount for each resident student attending a charter school. School districts currently contribute approximately \$17.8 million to the total cost of the Charter School Local Replacement Formula. The bill was amended to exclude the 25 percent district contribution on state guarantee revenues and lowers the estimated local contribution from the original bill. Estimates indicate that this contribution may increase by approximately \$605,000 in FY 2017 and \$3.0 million in FY 2018, for a total of \$3.6 million. Charter schools receive the calculated Charter School Local Replacement Rate for each student enrolled in the school. After adjusting for student enrollment growth, estimates indicate that charter schools may receive approximately \$45.1 million more in local replacement funding in FY 2018 at full implementation. This amount will increase over the next two fiscal years with approximately \$14.5 million in FY 2017 and \$30.6 million in FY 2018.

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.