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## FISCAL IMPACT REPORT

SPONSOR: Gonzales DATE TYPED: 2-4-01 HB 23  
 SHORT TITLE: Amend Enrollment Growth Program Units SB \_\_\_\_\_  
 ANALYST: Segura

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 4,000.0			Recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

State Department of Education (SDE)  
LFC Files

### SUMMARY

#### Synopsis of Bill

House Bill 23 amends Section 22-8-23.1 of the Public School Finance Act to change the method of calculating enrollment growth program units.

#### Significant Issues

Prior to the 1999-2000 school year, funding for schools was based upon current year membership, and a district that had a growth in membership equal to or greater than 1 percent was allocated an additional 0.05 units for each additional student.

With the shift to prior year funding beginning with the 1999-2000 school year, new students do not generate grade or other program units the first year in which they are enrolled. In an effort to address the problem, the 1999 General Appropriation Act included language to increase the growth factor from 0.05 to 1.00 for the 1999-2000 school year and the 2000 General Appropriation Act included a categorical appropriation of \$2,554.1 to be distributed to districts with a growth rate of greater than 1 percent for the 2000-2001 school year.

According to SDE, the bill would provide a more comprehensive method of recognizing membership growth, which had not been permanently addressed when the shift to prior year funding was enacted. The bill would change the calculation of growth units based on the difference between the current year 40 day MEM and the prior year 40 day MEM. For all districts with an increase in MEM, additional growth units would be calculated by multiplying the difference by the current year average

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number of adjusted program units per student. Additionally, districts experiencing a growth rate of 1 percent or greater would also be entitled to marginal growth units calculated by multiplying the difference greater than 1 percent by a factor of 0.05.

### **FISCAL IMPLICATIONS**

House Bill 23 appropriates \$4,000.0 from the general fund and the appropriation would be recurring. The amount is based on 1999-2000 membership and units and 2000-2001 unit value. The appropriation would cover the estimated enrollment growth units for FY2002 at the FY 2001 unit value of \$2,632.32.

It should be notes that the State Superintendent has raised the 2000-2001 unit value from \$2,632.32to \$2,647.56 as of January 29,2001. Based on this change the appropriation may have to be adjusted to cover the cost of the estimated enrollment growth units.

### **CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP**

The House Education Committee is currently developing House Bill 3, and reviewing recommendations for Public School Support funding. The appropriation could be included in House Bill 3.

### **POSSIBLE QUESTIONS**

1. What impact will the change in unit value have on the level of appropriation contained in the bill?

RS/njw