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FISCAL IMPACT REPORT

SPONSOR:	Sandel	DATE TYPED:	02/02/00	HB	163
SHORT TITLE:	At-Risk Programs In Schools			SB	
				ANALYST:	Fernandez

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 2,500.0			Recurring	G/F

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB162, Relates to HB85

SOURCES OF INFORMATION

State Department of Public Education (SDE)

LFC Files

SUMMARY

Synopsis of Bill

House Bill 163 appropriates \$2,500.0 to SDE to provide funding for at-risk programs in public schools statewide.

Significant Issues

Laws 1997, Chapter 40 amended the Public School Finance Act to include an at-risk factor in the formula to provide additional program units for school districts to assist students to reach their full academic potential and requires the State Department of Public Education to recalculate the at-risk index for each school district every two years. The department recalculated the at-risk index for school year 1999-2000 and the result was a redistribution of at-risk funds generated by the formula for school districts. Some school districts received significant losses and others significant gains, while the impact to most districts was minimal.

During the First Special Session in 1999, school districts that anticipated a significant loss in at-risk funds raised concerns that the losses would greatly impact established programs developed in 1997 for at-risk students. The concerns were addressed by the inclusion of language in the General Appropriation Act of 1999 that would have allowed districts to receive no less than 90 percent of their 1998-99 at-risk funding level if the 1999-2000 at-risk index was lower than the 1998-99 factor. The at-risk language was vetoed by the governor.

In July 1998, SDE hired a private contractor to conduct an evaluation of the enrollment growth factor, variables and methodology for the at-risk index, and funding for special education ancillary and related services personnel. With regard to the at-risk factor, the contractor recommended amending the public school funding formula to use a three-year average for each of the four variables included in the at-risk index (student mobility, dropout rate, student membership used to determine Title I allocation, and the membership classified as limited English proficient). In addition, the contractor recommended a hold harmless provision

that would allow districts to receive no less than 90 percent of their prior year at-risk funding level when changes in the at-risk index occur. The cost of the hold harmless provision is \$2,500.0. The contractor also recommended a supplemental appropriation for FY00 in the amount of \$2,500.0 that would allow districts to receive no less than 90 percent of their prior year at-risk funding level.

FISCAL IMPLICATIONS

This bill appropriates \$2,500.0 from the general fund to SDE for expenditure in fiscal years 2000 and 2001 to provide funding for at-risk programs in public schools statewide. This bill would implement the recommendation of the contractor for a supplemental FY00 appropriation.

ADMINISTRATIVE IMPLICATIONS

Passage of this bill should not place any significant administrative impact on SDE.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

Duplicates SB162, relates to HB85

House Bill 85 amends a section of the Public School Finance Act to revise the calculation of the at-risk factor to use a three-year average for each of the four variables included in the at-risk index (student mobility, dropout rate, student membership used to determine Title I allocation, and the membership classified as limited English proficient)

OTHER SUBSTANTIVE ISSUES

The LFC recommended an amendment to the public school funding formula to revise the calculation of the factor using a three-year average for each of the four variables. The committee also recommended the hold harmless provision be distributed as a categorical appropriation to school districts which demonstrate that a loss in at-risk funding would greatly impact previously established programs.

CTF/prr