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FISCAL IMPACT REPORT



SPONSOR: Miera DATE TYPED: 02/01/02 HB 23

SHORT TITLE: Change Program Unit Calculation SB _____

ANALYST: Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	NFI				

(Parenthesis) Indicate Expenditure Decreases)

Relates to SB 67

SOURCES OF INFORMATION

State Department of Education (SDE)

SUMMARY

Synopsis of Bill

House Bill 23 amends the Public School Code (22-8-5) to require that program units for a school district with a MEM of 200 or less be calculated using an average MEM of the 40th, 80th and 120th days of the prior year or the 40th day of the current year, whichever is greater.

Significant Issues

SDE reports that, with the change to prior year funding (Laws of 1999, Chapter 275), the majority of school districts are now funded based on the average membership of the 40th, 80th and 120th days of the prior year. HB 23 amends §22-8-25 so that all school districts will be funded based on prior year average membership of the 40th, 80th and 120th days. With the proposed language, school districts operating under an approved year-round school calendar will be funded on an average of the membership on dates established by the State Board of Education. The provision affecting school districts with a MEM of 200 or less preserves the save-harmless provision for small schools.

HB 23 further amends the sections on the twenty percent of property tax receipts generated by the half-mill levy property tax levy, forest reserve receipts, and impact aid (P.L. 874) that are to be

budgeted and expended for capital outlay. The reference to the manual of accounting and budgeting for capital outlay is removed.

ADMINISTRATIVE IMPACT

The SDE analysis states that this change will allow the funding of all public schools to be calculated by SDE's Accountability Data System, thereby allowing SDE to redirect some its resources.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

House Bill 23 relates to Senate Bill 67, Start-up Charter Schools. In addition to providing a means of calculating program units for new programs and start up charter schools, SB 67 includes the change in the way program units for small school districts are calculated.

OTHER SUBSTANTIVE ISSUES

The SDE, analysis points out that the State Board of Education supports this legislation and that performance auditors for the Legislative Finance committee recommended the changes proposed for the calculation of small school district program units.

RS/ar