



## **Senate Bill 17 -- Page 2**

Senate Bill 17 would provide a more comprehensive method of recognizing membership growth. 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 districts with an increase in MEM, additional growth units would be calculated by multiplying the difference by the current year average number of adjusted program units per student. Additionally, districts experiencing a growth rate of one percent or greater would also be entitled to marginal growth units calculated by multiplying the difference in MEM greater than one percent by a factor of 0.05.

### **FISCAL IMPLICATIONS**

The SDE estimates that based on 2002-2003 40<sup>th</sup> day membership and units adjusted for the implementation of full-day kindergarten and on the 2002-2003 initial unit value of \$2,896.1, the estimated funding needed for FY 2004 is \$17,500.0 .

The Legislative Education Study Committee included a request for FY2004 of \$6,300.0 based on the methodology included in the committees' endorsed legislation, House Bill 169.

Currently, within HB2/a, the State Equalization Guarantee includes \$4,500.0 to fund units generated under the formula in current law.

### **ADMINISTRATIVE IMPLICATIONS**

The SDE would have to reprogram their ADS reports to reflect the revised calculations.

### **RELATIONSHIP**

Senate Bill 17 is similar to House Bill 169.

### **TECHNICAL ISSUES**

Senate Bill 17 appropriates \$9,500.0 from the General Fund to the Public School Fund but does not indicate whether or not the appropriation is to be included in the State Equalization Guarantee.

**RS/yr/njw**