

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number: SB 118a**

**50th Legislature, 1st Session, 2011**

**Tracking Number: .183180.1**

**Short Title: Optional Tax Contribution to School Fund**

**Sponsor(s): Senator John M. Sapien**

**Analyst: Eilani Gerstner**

**Date: February 16, 2011**

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**AS AMENDED**

**The Senate Education Committee amendments:**

- **add language to specify that the distribution of dollars from the School Program Enhancement Fund is to occur “prior to the end of the second quarter of each fiscal year;”**
- **clarify that the distribution of dollars from the fund shall be “calculated at the same proportion as the school district and charter school state equalization guarantee allocation for the school year program cost;” and**
- **remedy a technical issue by correcting the name of the fund on page 4 of the bill.**

**Original Bill Summary:**

Among its provisions, SB 118:

- **adds a new section to the *Public School Finance Act* in the *Public School Code* to create the “School Program Enhancement Fund,” a non-reverting fund consisting of receipts of the optional designation of personal income tax refunds;**
- **adds new sections to the *Tax Administration Act* and the *Income Tax Act* to provide for an optional designation for a personal income tax contribution to the School Program Enhancement Fund; and**
- **provides that the purpose of the fund is to supplement the State Equalization Guarantee (SEG) distribution to each school district and charter school:**
  - **in proportion to the total program cost of each school district and charter school;**
  - **above the amount of SEG distribution to which each school district and charter school is entitled; and**
  - **provided that, if money in the fund is insufficient to make a significant and equitable distribution to each school district and charter school, the Public Education Department (PED) shall not make a distribution for that year.**

**Fiscal Impact:**

SB 118 does not contain an appropriation.

**Fiscal Issues:**

The Taxation and Revenue Department (TRD) analysis of SB 118 notes that:

- TRD does not have the data necessary to estimate the amount of voluntary contributions that would be made to the School Program Enhancement Fund; however,
- for the 2008 tax year, voluntary donations to all existing contribution funds totaled approximately \$134,000. (According to the 2008 Personal Income Tax donation (PIT-D) form, eight contribution funds were available for the 2008 tax year.)

**Technical Issues:**

The PED analysis notes that page 4, line 8 of the bill reads “school program cost support fund.” The sponsor may wish to consider amending the bill to read “school program enhancement fund.”

**Related Bills:**

None as of February 8, 2011.