

OFFICE OF FISCAL ANALYSIS

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sSB-183

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
DEPARTMENT OF EDUCATION.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 18 \$	FY 19 \$
Education, Dept.	GF - Potential Cost	Up to 22.5 million	Up to 14.5 million

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a potential cost to the State Department of Education (SDE) of up to \$22.5 million in FY 18 and up to \$14.5 million in FY 19 associated with extending the education commissioner's authority to award *Sheff* magnet school transportation grants and supplemental *Sheff* magnet school transportation grants. The costs are potential, as the grants must be made within available appropriations. PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019, included funds for *Sheff* transportation grants for both FY 18 and FY 19.

Section 3 of the bill extends the commissioner of education's authority to pay per pupil *Sheff* magnet school transportation grants, through FY 19. The per pupil transportation grant for *Sheff* schools is \$2,000 per eligible student. The authority to provide these grants expires at the end of FY 18. This results in *Sheff* magnet school transportation payments of \$8.5 million in FY 18 and FY 19. Absent the language, the \$2,000 grant would not be awarded.

Primary Analyst: SB
Contributing Analyst(s):

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Additionally, **Section 3** of the bill extends the *Sheff* magnet school supplemental transportation payment through FY 18, and requires that 70% of the total supplemental grant be paid on or before June 30, 2018, with the balance paid in FY 19. It is estimated that *Sheff* supplemental transportation costs total approximately \$20 million in FY 18. This would result in a \$14 million payment in FY 18, with the balance of \$6 million due in FY 19.

Both the per pupil transportation and the supplemental transportation grants are paid within available appropriations, so if funds are not available SDE will either not pay the grant, or prorate the grant based on available funding, which is why the above costs are potential. PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019, included funds for *Sheff* transportation grants for both FY 18 and FY 19.

The bill makes various other changes that do not result in a fiscal impact, as they are procedural in nature, conforming, technical, or can be accomplished by using existing expertise at local and regional school districts or SDE.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of per pupil *Sheff* transportation grants awarded and the amount of eligible supplemental *Sheff* transportation grants.