

**Department of Planning and Budget**  
**2007 Fiscal Impact Statement**

**1. Bill Number** HB1891

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Albo

**3. Committee** Appropriations

**4. Title** Local government; composite index of local ability-to-pay.

**5. Summary/Purpose:** Provides that a locality whose composite index exceeds 0.5000 must be considered as having an index of 0.5000 for purposes of distributing all payments based on the composite index.

**6. Fiscal Impact Estimates are:** See Item 8.

**7. Budget amendment necessary:** Yes.

**8. Fiscal implications:** The Department of Education estimates that the state share of cost to provide that a locality whose composite index exceeds 0.5000 must be considered as having an index of 0.5000 for purposes of distributing all payments based on the composite index is **\$414.6 million** in FY 2007 and **\$436.5 million** in FY 2008. The current composite index cap is 0.8000. By lowering the current composite index cap from 0.8000 to 0.5000, 23 school divisions are impacted, resulting in a greater share of state funds directed to these school divisions.

**9. Specific agency or political subdivisions affected:** Direct Aid to Public Education, local school divisions.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 1/17/07 / SHD

**Document:** G:\FIS\2007 Session\HB1891.doc