

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB2063E

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Hamilton

3. Committee: Education and Health

4. Title: Triennial census of school population; sales and use tax distribution

5. Summary: Eliminates the requirement that every three years a census of all school-age persons residing within each school division take place. Amends the procedure regarding sales and use tax distribution to localities so that distribution is based on the average daily membership of the school division rather than the school-age population of a school division. This legislation does not go into effect until FY 2012.

6. Fiscal Impact Estimates: Indeterminate. See item 8.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: This legislation modifies the current methodology used to distribute sales tax revenue. Sales tax is currently distributed on the basis of a triennial census of school age population. This bill changes that methodology to distribute sales tax based on the Average Daily Membership (ADM).

Since this legislation does not go into effect until July 1, 2011 (FY 2012) there is no fiscal impact for the 2008-2010 biennium. Costs for the out years are impacted by the composite index and enrollment projections. These costs cannot be determined at this time because the composite index data for the next biennium are not known. Therefore, it is not possible to calculate a reliable estimate of the potential fiscal impact in FY 2012.

Using the FY 2010 appropriation in the Governor's introduced budget as a proxy for the possible impact in FY 2012, the Department of Education estimates this change in the distribution method could result in a general fund cost of \$3.1 million, as well as increases to the Required Local Effort of some localities. It can also be assumed that local school divisions will experience some cost savings from not conducting the triennial census; however, these savings cannot be determined at this time since the data collection methods vary from locality to locality.

9. Specific Agency or Political Subdivisions Affected: Board of Education and local school divisions.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/12/2009 dpbsbj

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