

**Department of Planning and Budget**  
**2020 Special Session I - Fiscal Impact Statement**

**1. Bill Number:** SB5069

<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:** Ruff

**3. Committee:** Finance and Appropriations

**4. Title:** Public schools; declared state of emergency; average daily membership.

**5. Summary:** Provides that in the event that a declared state of emergency causes a disruption in the provision of in-person instruction for students that affects the calculation of average daily membership in a local school division as of March 31 in any school year, such membership shall consist of the greater of the average daily membership as of March 31 in the affected school year and the average daily membership as of March 31 in the immediately preceding school year.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Indeterminate. See Item 8.

**8. Fiscal Implications:** Item 145.B.1.b of HB 5005/SB 5015, 2020 Special Session I, requires payments to school divisions from that Item to be calculated using March 31 Average Daily Membership (ADM). The Direct Aid to Public Education appropriation in HB 5005/SB 5015 is based on FY 2021 and FY 2022 March 31 ADM projections prepared by the Department of Education in fall 2019. In fall 2020, the Department of Education will update these ADM projections for the 2021 General Assembly Session amended 2020-2022 biennium budget. Under current requirements, FY 2021 payments to school divisions are calculated using the Department of Education's ADM projections, and final payments to school divisions for FY 2021 will be recalculated in spring 2021 using actual March 31, 2021, ADM reported by school divisions. This bill would require the Department of Education to use the greater of March 31, 2021, ADM or March 31, 2020, ADM when recalculating final FY 2021 payments to school divisions.

It would be difficult to determine if the declared state of emergency and disruption in the provision of in-person instruction for students affected the calculation of average daily membership in a school division. For school divisions with historically declining enrollment or reduced enrollment for reasons unrelated to the declared state of emergency, the Department of Education would be artificially inflating ADM to prior year levels.

As required by Item 145.B.3. of HB 5005/SB 5015, in the event the statewide number of pupils in March 31 ADM results in a state share of cost exceeding the general fund appropriation in that Item, the localities' state share of Basic Aid would be reduced

proportionately so that the general fund appropriation is not exceeded. The actual fiscal impact under Direct Aid to Public Education is indeterminate at this time.

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, local school divisions.

**10. Technical Amendment Necessary:** Yes, on line 16 replace “and” with “or”.

**11. Other Comments:** None