

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2018 REGULAR SESSION**

MEASURE

2018 BR NUMBER **0888**

HOUSE BILL NUMBER **141/GA**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to the emergency revolving school loan fund account, making an appropriation therefor, and declaring an emergency.**

SPONSOR **Representative Carney**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Department of Education**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY **Emergency Revolving School Loan Fund (ERSLF)** OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2017-2018	2018-2019	2019-2020	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES	\$7 million ERSLF	(\$7 million) GF		
EXPENDITURES				
NET EFFECT	\$7 million ERSLF	(\$7 million) GF		

() indicates a decrease/negative

MEASURE'S PURPOSE: The bill changes the circumstances under which a school district can request funds from the emergency revolving school loan fund account, sets a limit on how much can be lent, and places \$7 million in FY 2017-2018 into the fund from existing General Fund resources.

PROVISIONS/MECHANICS: Section 1 amends KRS 160.599 to change the circumstances under which a school district can request funds from the emergency revolving loan fund account. It eliminates the ability to request funds due to capital needs and instead inserts language allowing districts to request loans due to financial circumstances in their operating accounts. The loans are limited to \$500,000 per district, and must be repaid within five years. The Department of Education may promulgate administrative regulations as necessary, and must report annually to the Interim Joint Committee on Appropriations and Revenue on the loan fund status.

Section 2 amends the FB 2018-2020 Budget Bill to dedicate \$7 million with the Base SEEK Allotment to the emergency revolving loan fund account in Fiscal Year 2017-2018.

Section 3 declares an emergency so that the bill takes effect upon its passage and approval by the governor or its otherwise becoming law.

FISCAL EXPLANATION: By moving \$7 million in General Fund to a Restricted Fund account, moneys that would otherwise lapse to the General Fund at the close of FY 2017-2018 will instead carry forward into FY 2018-2019 within the Restricted Fund account. This reduces General Fund resources in FY 2018-2019 by \$7 million.

DATA SOURCE(S): LRC Staff

PREPARER: Chuck Truesdell **NOTE NUMBER:** 114 **REVIEW:** JAB **DATE:** 2/22/2018