

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 2060

SENATE BILL NUMBER 234

TITLE AN ACT relating to the program to support education excellence in Kentucky.

SPONSOR Senator Robby Mills

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: SEEK

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES		Indeterminable	Indeterminable	Indeterminable
NET EFFECT		(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: The bill codifies a hold-harmless provision for districts that receive less per-pupil funding from the state’s base education funding formula, and sets a minimum amount of funding for those districts.

FISCAL EXPLANATION: The bill codifies longstanding budget language that increases funding to districts that, on a per-pupil basis, receive less funding from the SEEK formula than they did in fiscal year 1991-92, and protects those districts from any pro rata reductions in case of a SEEK shortfall. It then goes further in that, if the difference between the current-year amount and the fiscal year 1991-92 amount is less than \$300 per pupil, the district would receive a total of \$300 per pupil under the hold-harmless provision. If the difference is more than \$300 per pupil, the payment would remain as it is under current practice.

In fiscal year 2019-2020, three districts receive funding through the hold-harmless provision. Two of those receive less than \$300 per pupil, so they would receive increased funding under Senate Bill 234 if it were law. Livingston County would receive approximately \$225,000 more under the bill, and Lyon County would receive approximately \$100,000 more. These totals could fluctuate greatly depending on student demographics, property assessments, and the per-pupil base guarantee set by the General Assembly in the budget bill. Therefore, a firm estimate is not possible.

DATA SOURCE(S): Department of Education, LRC Staff

PREPARER: Chuck Truesdell **NOTE NUMBER:** 199 **REVIEW:** JAB **DATE:** 3/10/2020