

SF580 - 1CE - Nonpupil Public Aid Calc Modification

Chief Author: **Justin Eichorn**
 Committee: **E-12 Finance and Policy**
 Date Completed: **3/4/2020 10:27:57 AM**
 Agency: **Education Department**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	1,956	2,252	2,367	
Total	-	-	1,956	2,252	2,367	
Biennial Total			1,956		4,619	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Alyssa Holterman **Date:** 3/4/2020 10:27:57 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023	
General Fund	-	-	1,956	2,252	2,367	
Total	-	-	1,956	2,252	2,367	
Biennial Total			1,956		4,619	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	1,956	2,252	2,367	
Total	-	-	1,956	2,252	2,367	
Biennial Total			1,956		4,619	
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-		-	

Bill Description

Section 1 of the bill extends guidance and counseling services to elementary nonpublic pupils as well as elementary and secondary pupils enrolled in American Indian-controlled tribal contract or grant schools.

Section 2 of the bill adds elementary pupils to be included in the computing of maximum allotments for each school year related to guidance and counseling.

This bill is effective for FY2021 and later.

Assumptions

The calculation used to determine the reimbursement rate for guidance and counseling does not change.

The base rate is calculated using actual two year prior public school expenditures. Forecast aid is based on the reimbursement rate times the number of participating nonpublic and American Indian-controlled tribal contract or grant school pupils.

It is assumed that 50% of eligible nonpublic and American Indian-controlled tribal contract or grant school elementary pupils will participate in guidance and counseling. This assumption is based on professional opinion.

It is assumed that 92% of eligible American Indian-controlled tribal contract or grant school secondary pupils will participate in guidance and counseling.

- Participating pupils will receive the same specific guidance and counseling services as are provided for the public students in the district where the nonpublic or American Indian-controlled school is located.

- This mirrors the current estimate that 92% of nonpublic secondary students receive counseling.

Nonpublic enrollments will decline one percent annually, based on February 2020 Forecast data.

American Indian-controlled tribal contract or grant school enrollment will increase approximately four percent annually, based on February 2020 forecast data.

There would be MNIT costs associated with this bill language. Modifications would be needed to add K-6 nonpublic student's participation. This would require a modification for how the data is presented in the tables since student participation would need to be regroupped. Modification would also be needed on the screens to be able to enter

reimbursement rates for elementary guidance and counseling. This would also require modification to the reports and calculations. It is assumed that all work can be done in FY21. This work would require one developer at \$110 per hour. Original modification would require 110 hours of work to complete all system changes.

Expenditure and/or Revenue Formula

		FY20	FY21	FY22	FY23
1	Average Public School Cost (Elementary)	-	\$69.35	\$72.82	\$76.46
		-			
2	Estimated Nonpublic Elementary Pupils	-	56,702	56,365	56,303
3	Participating Nonpublic Elementary Pupils (line 2 x 0.5)	-	28,351	28,183	28,152
		-			
4	Estimated Tribal Contract Elementary Pupils	-	441	442	467
5	Participating Tribal Contract Elementary Pupils (line 4 x 0.5)	-	221	221	234
		-			
6	Average Public School Cost (Secondary)	-	\$279.36	\$293.33	\$307.99
7	Estimated Tribal Contract Secondary Pupils	-	295	319	334
8	Participating Tribal Contract Secondary Pupils (line 7 x .92)	-	271	293	307
		-			
9	Total Participating Elementary Pupils (line 3 + line 5)	-	28,571	28,404	28,386
10	Elementary Entitlement (line 1 x line 9)	-	\$1,981,399	\$2,068,379	\$2,170,394
11	Total Participating Secondary Pupils	-	271	293	307
12	Secondary Entitlement (line 6 x line 11)	-	\$75,707	\$85,946	\$94,553
13	Subtotal (line 10 + line 12)	-	\$2,057,105	\$2,154,325	\$2,264,946
14	Administrative 5 Percent (line 13 x 0.05)	-	\$102,855	\$107,716	\$113,247
15	Total Entitlement Increase (line 13 +line 14)	-	2,159,961	2,262,041	2,378,194
		-			
16	90% Current (line 15 x 0.9)	-	1,943,965	2,035,837	2,140,374
17	10% Prior Year Adjustment (line 15 prior year x 0.1)	-		215,996	226,204
		-			
18	Total Appropriation Increase (line 16 + line 17)	-	1,943,965	2,251,833	2,366,579

MNIT costs:

Cost Estimate	Amount
Implementation (110 hours x \$110/hour)	\$ 12,100
TOTAL	\$ 12,100

Total Appropriation costs:

	FY20	FY21	FY22	FY23
Nonpublic pupil aid costs		1,943,965	2,251,833	2,366,579
MNIT costs		12,100	0	0
Total Appropriation		1,956,065	2,251,833	2,366,579

Long-Term Fiscal Considerations

The aid will be available to school districts starting in FY2021 and on-going.

Local Fiscal Impact

N/A

References/Sources

UFARS

MARSS enrollment data and projections

Nonpublic enrollment data and projections

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