

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 11, 1996

SUBJECT: **HB 2745 - SB 3165**

This bill, if enacted, will change the basic education program (BEP) funding procedure to allow the Department of Education to give local education agencies (LEAs) actual allocations of BEP funds in a more timely manner.

Presently, funding is based on year-end average daily memberships (ADMs) which cannot be compiled and verified before the middle of September. The bill will allow the department to use some combination of months one through seven ADMs that would most closely approximate the year-end ADMs. By using this method, LEAs would have their actual allocations by each July 1.

The fiscal impact from enactment of this bill is estimated to be an increase in state expenditures and an increase in local government revenues. However, such increase is estimated to be not significant, since those months which will be chosen to provide the ADMs to fund the BEP formula will be the combination of months which most closely approximates the results of using year-end ADMs, both in terms of overall state expenditures and in terms of revenue distribution to LEAs.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director