

SF666 - 0 - Community Education Revenue Program Increased

Chief Author: **Ron Latz**
 Committee: **Education Finance**
 Date Completed: **2/8/2023 3:36:49 PM**
 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	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	7,779	4,615	2,708	2,134	
Total	-	7,779	4,615	2,708	2,134	
Biennial Total			12,394		4,842	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
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.

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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		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	7,779	4,615	2,708	2,134	
Total	-	7,779	4,615	2,708	2,134	
	Biennial Total		12,394		4,842	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	7,779	4,615	2,708	2,134	
Total	-	7,779	4,615	2,708	2,134	
	Biennial Total		12,394		4,842	
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-		-	-

Bill Description

The bill increases the state aid amount paid from \$5.82 to \$7.00 times the greater of the population of the district or 1,335, and a changes in the equalization factor from .094 to .0498.

The change is effective starting in FY2024.

Assumptions

Minnesota Department of Education (MDE) used the November Forecast to provide breakdown by fiscal year. The November Forecast numbers used the 2020 Census populations from the 2022 levy cycle (FY24 revenue) with the approved changes from districts by the State Demographer’s Office. For FY25-FY27 It is predicted the census numbers will increase by .81% annually.

November forecasted data used the 2021 certified ANTC values and projections for 2022 at 15.1%, 2023 at 12.70%, 2024 at 5.80% and 2025-2026 at 4.94%.

Expenditure and/or Revenue Formula

	FY24	FY25	FY26	FY27
New Language State Aid	\$7,899,193.29	\$4,693,957.00	\$2,782,952.14	\$2,206,785.39
Nov Forecast State Aid	\$120,862.00	\$79,109.00	\$75,109.00	\$73,470.00
Additional State Aid Costs	\$7,778,331.29	\$4,614,848.00	\$2,707,843.14	\$2,133,315.39
New Language Levy	\$43,282,255.94	\$46,856,163.40	\$49,198,533.30	\$50,180,407.88
Nov Forecast Levy	\$42,009,999.00	\$42,378,384.00	\$42,711,425.00	\$43,044,779.00
Additional Local Levy Costs	\$1,272,256.94	\$4,477,779.40	\$6,487,108.30	\$7,135,628.88

Long-Term Fiscal Considerations

This increase would be ongoing.

Local Fiscal Impact

Local levy costs will increase with this bill.

References/Sources

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