

**FISCAL NOTE**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase			
SCHOOL FOUNDATION FUND	\$20,000,000	\$20,000,000	\$20,000,000

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Expenditure (decrease)			
SCHOOL FOUNDATION FUND	(\$100,000,000)	(\$101,000,000)	(\$102,000,000)

Source of revenue increase and expenditure (decrease):

Increasing the core teacher class size from 16 for elementary school and 21 for middle and high schools to 24 would reduce the School Foundation Program guarantee amount by an estimated \$120,000,000 in FY 2018, \$121,000,000 in FY 2019, and \$122,000,000 in FY 2020. Only four school districts would not see their funding change due to the minimum teacher resources provided by the small school district adjustment.

This change in the School Foundation Program guarantee would result in: 1) increased recapture revenues to the School foundation Program Account from recapture districts and 2) decreased entitlement expenditures from the School Foundation Program to entitlement districts. The estimated decreases in recapture revenues and entitlement payments are presented in the table above.

**Assumptions:**

The above estimates were determined through the use of forecast models utilized by the Legislative Service Office, and are based on the most recent available data for the 2016-2017 school year.

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