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FISCAL IMPACT STATEMENT

LS 6964

BILL NUMBER: HB 1189

NOTE PREPARED: Jan 4, 2012

BILL AMENDED:

SUBJECT: Multiple ADM Counts.

FIRST AUTHOR: Rep. Thompson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *School Formula:* This bill provides that: (1) an average daily membership (ADM) count of students enrolled in a public school in Grades K-12 must be taken during the school year in September and March; and (2) state tuition support must be distributed based on the latest count of students.

Advisory Counts: The bill provides for an additional advisory student count in December and an advisory estimate of fall enrollment in June.

Distribution Schedule: The bill requires state tuition support distributions to be made every month rather than every 40 days.

Other ADM Count Statutes: The bill makes related changes in various calculations to reflect the change in counting procedure.

The bill makes technical corrections.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *School Formula:* The bill would change the ADM used in the school formula calculations. Currently, the September 2012 ADM is used for the CY 2013 school formula calculations.

The bill would change the tuition support calculations for CY 2012 and CY 2013. The following table shows which ADM count is used in the current law and what the change would be under this bill.

Distribution Month 2013	Current Law 2013	Proposed 2013
January	Sept 2012	Sept 2012
February	Sept 2012	Sept 2012
March	Sept 2012	Sept 2012
April	Sept 2012	Sept 2012
May	Sept 2012	Sept 2012
June	Sept 2012	Sept 2012
July	Sept 2012	March 2013
August	Sept 2012	March 2013
September	Sept 2012	March 2013
October	Sept 2012	March 2013
November	Sept 2012	March 2013
December	Sept 2012	March 2013

Generally, the March ADM count has about 11,000 students less than the previous September ADM. For CY 2013, the September 2012 ADM is used as the previous year ADM for both counts. If the formula is continued to CY 2014 and later, then the previous year's ADM is the corresponding month as used in the current year ADM determination. The ADM used in the primetime calculations would change in a like manner.

The counts used in the school formula for special education, career and technical education, and the honors grants would not change, The special education count date is December 1, the career and technical education count is taken in September at the time of the ADM count, and the honors count is the number of honors diplomas granted the previous school year.

The following chart summarizes the impact on local schools.

	CY 2013
Tuition Support Change	- \$32.5 M
# Schools with Decreased Tuition Support	283
# Schools with Same Tuition Support	3
# Schools with Increased Tuition Support	72

Advisory Counts: The two advisory counts in December and June would require additional reporting by local schools and data collection by the Department of Education. The additional costs associated with the advisory counts with the Department's new real-time reporting of students system should be minor.

Distribution Schedule: The requirement that the tuition support distribution be made monthly would currently have no fiscal impact. The distribution is currently about the 15th of each month. The provision would not allow the state to alter the schedule, so there could be only 11 distributions in a fiscal year. In the past for

cash flow purposes the state has rolled a monthly distribution from one fiscal year to another.

Other ADM Count Statutes: The bill would require the March ADM count to be used in determining the Technology Plan Grant instead of the September ADM. The provision should have minor impact.

The bill would change the transfer tuition calculations to use the most current ADM, either September or March, instead of the prior year's September ADM in determining transfer tuition. The provision would probably have minor impact.

The bill would change the calculation of the Choice Scholarship from using the September ADM to the March ADM for the purposes of determining the amount of the scholarship a student can receive. The provision should have minor state fiscal impact.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Other ADM Count Statutes:* The bill would change the ADM used in the Lake County and Dearborn County Supplemental County Levy from the September ADM count to the following March ADM for distribution of the levy. The impact could be a shift between the schools and is probably minor.

(See also *Explanation of State Expenditures.*)

State Agencies Affected: Department of Education.

Local Agencies Affected: Local schools.

Information Sources: Department of Education Databases.

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