

**Fiscal Impact**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 229</b>
<b>Version:</b>	<b>CS</b>
<b>Author:</b>	<b>Sen. Montgomery</b>
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**Fiscal Analysis**

SB 229 creates the Redbud School Funding Act and directs a maximum of 75% of medical marijuana excise tax revenue received in the preceding fiscal year to be deposited in the State Public Common School Building Equalization Fund to be distributed to eligible charter schools and school districts. It defines what constitutes "eligible charter schools". The bill also defines a blending learning student.

The amount to be distributed is calculated by dividing the amount of building funds plus 25% of the total amount of county four-mill levy funds received by districts in the prior year by the ADM in each district. Allocations will be made to bring each district below the state average per ADM up to that amount. Should medical marijuana tax revenue be insufficient to cover the full amount needed, an additional apportionment will be made from the medical marijuana sales tax. The bill allows the Department of Education to retain 1/2 of 1% to administer the fund. It directs any money apportioned to the fund to be included in the determination of whether or not the funding requirement has been met in order to enforce class size requirements in kindergarten and first grade. The bill also clarifies that charter schools are only eligible to receive state aid, federal funds and any other state-appropriated revenue, grants or other aid for which they are eligible; it directs charter ADA to be calculated separately from the ADA of its sponsoring district for the purpose of funding. It requires charter schools to receive all state appropriated and federal funding directly.

The calculation seeks to bring all districts up to a minimum of \$330.77 per student in building funds, which is the state average per student (ADM) of the revenue from the building fund levy plus 25% of the revenue from the county 4-mill. This minimum amount per student (the state average) will change each year as these revenue sources fluctuate. Those that are below the state average will receive the amount of funds necessary to bring them up that average.

This will benefit 310 traditional districts and 25 charter schools. The total estimated cost will be \$42,139,611.54.

**FY'22 Impact:** See comments

**Full Year Impact:** See comments

Prepared by: Senate Fiscal Staff