

**FISCAL NOTE**  
**SENATE BILL NO. 2295**  
**LC# 25.0736.01000**  
**01/23/2025**

## 1 - State Fiscal Effect

*Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$2,152,001,526			
Appropriations						

## 2 - County, City, School District, and Township Fiscal Effect

*Identify the fiscal effect on the appropriate political subdivision.*

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

## 3 - Bill and Fiscal Impact Summary

*Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2295 changes the school district funding formula to fund school districts using the average cost per student and generates foundation aid payments for students enrolled in nonpublic schools and home school.

## 4 - Fiscal Impact Sections Detail

*Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 2 provides state aid to school districts by multiplying the average cost per student by the weighted average daily membership in the public school district as well as home educated, and students enrolled in nonpublic schools that register with the school district of residence. For purposes of this section, it is assumed that all students enrolled in nonpublic schools and home educated students will register with their school district.

Section 2 requires the school district to forward 75% of funding for nonpublic students to the nonpublic school and

50% of funding for home educated students to the parents.

Sections 3, 4, 5, and 8 removes the school districts' ability to levy mills in the general fund, miscellaneous fund, and tuition fund.

Section 7 repeals the baseline funding, the 60-mill deduction and the 75% deduction for local in lieu of revenue. The state funds the full cost of the funding formula.

## **5 - Revenues Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

## **6 - Expenditures Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The most recent average cost per pupil is \$14,345. The fiscal note multiplies this number by the projected weighted average daily membership for students enrolled in the public school as well as the students enrolled in nonpublic schools and student that are home educated. The total cost of this funding formula would be \$4,420,706,009. The cost to continue the current funding formula is \$2,268,704,483. The increased cost is \$2,152,001,526.

## **7 - Appropriations Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The appropriation for the funding formula is in HB 1013.

## **Contact Information**

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