

HCS HB 288 -- CLASSROOM TRUST FUND (Jetton)

Beginning in Fiscal Year 2005 and upon condition of full funding of the Foundation Formula Program for the distribution of state school aid, 20% of the moneys from the Gaming Proceeds for Education Fund will be redirected into the Classroom Trust Fund, created by the substitute. Each subsequent year for four years, an additional 20% of those moneys will be directed to the Classroom Trust Fund until 100% of the gaming moneys go to that fund. Currently, these funds are deposited in the State School Moneys Fund, which provides funds for the foundation formula. The substitute requires the chairs of the Senate Appropriations Committee and the House Budget Committee to make the determination of whether sufficient moneys have been appropriated to achieve a proration factor of 1.0 in the equity portion of the foundation formula. The substitute directs that the gambling moneys must be replaced in the State School Moneys Fund by general revenue. The funds will be distributed on a per-pupil basis keyed to attendance and may be used for teacher recruitment and retention, construction and repair of buildings, technology enhancements or instructional materials, school safety, and supplying additional funds for any required state or federal program.

FISCAL NOTE: Estimated Net Cost to General Revenue Fund of \$0 in FY 2004, \$0 or \$41,104,108 in FY 2005, and \$0 or \$82,208,217 in FY 2006. Estimated Net Effect on State School Moneys Fund of \$0 in FY 2004, FY 2005, and FY 2006. Estimated Net Effect on Gaming Proceeds for Education Fund of \$0 in FY 2004, FY 2005, and FY 2006. Estimated Net Cost to Lottery Proceeds Fund of \$0 in FY 2004, \$5,000,000 in FY 2005, and \$5,000,000 in FY 2006. Estimated Net Effect on the Classroom Trust Fund of \$0 in FY 2004, FY 2005, and FY 2006.