



FISCAL NOTE

Senate Bill 101

Committee: Ways and Means Education

Sponsor: Senator Arthur Orr

Analyst: John Friedenreich

Date: 05/24/2023

Senate Bill 101 as reported by the Committee on Ways and Means Education would amend the Rolling Reserve Act to: (1) provide a secondary spending cap beginning with the fiscal year ending September 30, 2024; (2) adjust the fiscal year appropriation cap by dropping the highest growth year; (3) revise the current distribution of excess revenues deposited into the Education Trust Fund (ETF) Budget Stabilization Fund and the ETF Advancement and Technology (A and T) Fund; (4) provide that transfers into the ETF Budget Stabilization Fund from excess revenues continue until the fund reaches 10%, currently 7.5%, of the previous year's ETF appropriation; (5) cap the amount of excess revenue deposited annually into the ETF A and T Fund at \$1 billion; (6) create the Educational Opportunities Reserve (EOR) Fund in the State Treasury into which monies shall be deposited pursuant to this act, and which may be withdrawn through supplemental appropriations bills to: (a) offset a reduction in estimated revenue to the Education Trust Fund; (b) provide funding for unanticipated and existing obligations paid from the ETF; (c) provide funding to maintain prior year appropriation levels; and (d) provide for start-up or transitional support for initiatives that provide access to enhanced educational opportunities to public K-12 or higher education students, or both; (7) repeal the provision allowing the ETF Budget Stabilization Fund to be used for loans to public schools or higher education institutions for damages from natural disasters; (8) further provide that no funds may be appropriated from the EOR Fund until the balance equals or exceeds \$300 million; and (9) provide further that any remaining excess revenues after the transfers to the ETF Budget Stabilization Fund, the ETF A and T Fund, and the EOR Fund will remain in the ETF as nonrecurring revenues.