

# FISCAL NOTE

Requested by Legislative Council  
04/07/2009

Amendment to: Engrossed  
HB 1400

**1A. 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.*

|                       | 2007-2009 Biennium |             | 2009-2011 Biennium |              | 2011-2013 Biennium |              |
|-----------------------|--------------------|-------------|--------------------|--------------|--------------------|--------------|
|                       | General Fund       | Other Funds | General Fund       | Other Funds  | General Fund       | Other Funds  |
| <b>Revenues</b>       | \$0                | \$0         | \$0                | \$0          | \$0                | \$0          |
| <b>Expenditures</b>   | \$0                | \$0         | \$99,700,000       | \$10,100,000 | \$151,994,315      | \$10,100,000 |
| <b>Appropriations</b> | \$0                | \$0         | \$99,700,000       | \$10,100,000 | \$151,994,315      | \$10,100,000 |

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| 2007-2009 Biennium |        |                  | 2009-2011 Biennium |        |                  | 2011-2013 Biennium |        |                  |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties           | Cities | School Districts | Counties           | Cities | School Districts | Counties           | Cities | School Districts |
| \$0                | \$0    | \$0              | \$0                | \$0    | \$109,800,000    | \$0                | \$0    | \$162,094,315    |

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1400 is the public school district funding and policy plan incorporating the recommendations from the ND Commission on Education Improvement.

**B. Fiscal impact sections:** *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.*

The Executive Budget Recommendation and HB 1013, as introduced, added \$116,760,000 to K-12 public school funding. The House amended that amount to \$110,100,000. The Senate changes K-12 funding to a total of \$109,800,000.

The accounting for the \$109,800,000 recommended by the Senate is as follows:

99 million State School Aid (HB 1013):

-->84.44 million for the main funding formula.

-->1.00 million for required assessments.

-->2.60 million for regional education associations (through a factor in formula).

-->3.68 million for one student contact day on the school calendar. Begins the second year.

-->3.78 million for student performance strategists. Begins the second year.

-->2.70 million for career advisors. Begins the second year.

-->.40 million for regional education associations (grants).

-->.40 million for gifted and talented programs (grants).

10.00 million Transportation grants (HB 1013).

-2.00 million for Special Education Contracts (HB 1013).

2.30 million for a teacher support program (HB 1400).

.50 million for national board certification fund (HB 1400).

The increases projected for the 2011-2013 biennium are based on the cost to maintain the funding level established in the second year of the 2009-2011 biennium. Included in 2011-2013 is a \$6 million estimate to fund the North Dakota Scholarships provided for in Section 17 that will begin in 2011-12 and \$11 million for delayed implementation of the "At Risk" factor that becomes effective July 1, 2011.

NOTE: The Senate amendments add one professional day to the school calendar beginning with the 2010-11 school year. Funding was not specifically identified for that purpose as was the student contact day. The estimated cost of one professional day is \$2 million (\$45,000 average salary divided by 180 calendar days times 8,000 licensed teachers).

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *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 is also included in the executive budget or relates to a continuing appropriation.*

HB 1013, First Engrossment with Senate Amendments includes:

Grants – State school aid \$825,165,879

Grants – Special education contracts \$15,500,000

Grants – Transportation \$43,500,000

The source of Other Funds is the State Tuition Fund.

HB 1400, First Engrossment with Senate Amendments includes:

Section 38 - \$2.3 million appropriation to ESPB for a Teacher Support System grant program.

Section 39 - \$500,000 to ESPB for the purpose of creating the National Board Certification fund.

|                      |               |                       |                    |
|----------------------|---------------|-----------------------|--------------------|
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