

FISCAL NOTE

Requested by Legislative Council
05/02/2009

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
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$102,800,000	\$95,744,337	\$146,129,747	\$10,100,000
Appropriations	\$0	\$0	\$102,800,000	\$95,744,337	\$146,129,747	\$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	\$192,644,337	\$0	\$0	\$153,229,747

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 total funding increases addressed in the bill is \$198,544,337. It is made up of \$102,800,000 general fund, \$10,100,000 state tuition fund, and \$85,644,337 federal ARRA state fiscal stabilization funds. The breakdown is as follows:

\$82,204,416 million State School Aid (HB 1013):

- > 67,644,416 for the main funding formula.
- > 1,000,000 for required assessments.
- > 2,600,000 for regional education associations (through a factor in formula).
- > 3,680,000 for one student contact day on the school calendar. Begins the second year.
- > 3,780,000 for student performance strategists. Begins the second year.
- > 2,700,000 for career advisors. Begins the second year.
- > 400,000 for regional education associations (grants).
- > 400,000 for gifted and talented programs (grants).

10,000,000 for Transportation grants (HB 1013).

- 2,000,000 for Special Education Contracts (HB 1013).
- 16,795,584 for supplemental operations grants (HB 1013).
- 85,644,337 for supplemental one-time grants (HB 1013).

2,300,000 for a teacher support program (HB 1400).

- 500,000 for a national board certification fund (HB 1400).
- 100,000 for continuing education grants (HB 1400).

3,000,000 for ND scholarships for 2009-2010 graduates (SB 2003). Begins the second year.

The increases projected for the 2011-2013 biennium are based on the cost to maintain the K-12 funding level established in the second year of the 2009-2011 biennium. Included in the cost is \$5.5 million for the "At-Risk" factor

that becomes effective July 1, 2011 and \$3 million to cover the cost of the additional year for ND scholarships.

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 includes:

Grants – State school aid \$808,370,295
Grants – Special education contracts \$15,500,000
Grants – Transportation \$43,500,000
Grants – Supplemental one-time \$85,644,337
Grants – Supplemental operations \$16,795,584

HB 1400 includes:

Section 48 - \$2,300,000 appropriation for a grant to ESPB for a teacher support system program.
Section 49 - \$500,000 appropriation for the purpose of creating the National Board Certification fund.
Section 50 - \$100,000 appropriation for the creation of the national board certification fund.

SB 2003

\$3,000,000 Academic and technical education scholarships

Name:	Jerry Coleman	Agency:	Public Instruction
Phone Number:	328-4051	Date Prepared:	05/05/2009