

FISCAL NOTE
Requested by Legislative Council
02/17/2017

Amendment to: HB 1324

- 1 A. **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.*

| | 2015-2017 Biennium | | 2017-2019 Biennium | | 2019-2021 Biennium | |
|-----------------------|--------------------|-------------|--------------------|---------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | \$1,364,748,136 | \$575,546,905 | | |
| Appropriations | | | \$1,364,748,136 | \$575,546,905 | | |

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

| | 2015-2017 Biennium | 2017-2019 Biennium | 2019-2021 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | \$1,940,295,041 | |
| Townships | | | |

- 2 A. **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 1324 establishes the policy for implementing the K-12 funding formula.
 HB 1013 appropriates the funding in the Integrated formula payment line item.

- 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.*

In its current form, the House has added \$23,655,041 to the base level funding amount for integrated formula payments line item in HB 1013. See the attachment for explanation of the increases.

Formula per student rates
 Year 1 \$9,646
 Year 2 \$9,646

NOTE: The Appropriations Committee amendments make technical reference corrections to HB 1324 that do not affect the 1st Engrossment fiscal note.

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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Funding for the K-12 formula is in the Integrated formula payments line item in the NDDPI appropriation bill (HB 1013).

Amounts to be funded from general and special funds are as follows:

305,546,905 from State Tuition Fund
270,000,000 from the Foundation Aid Stabilization Fund
1,364,748,136 from the General Fund
1,940,295,041 Total Appropriation

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Date Prepared: 02/03/2017

K-12 Funding Formula
 Integrated Formula Payments

| | House - 01000 | House - 03000 | House - 04000 |
|--|----------------------|----------------------|----------------------|
| Cost to Continue | | | |
| 2015-17 Base Level - Integrated Formula Payments | 1,916,640,000 | 1,916,640,000 | 1,916,640,000 |
| Cost to sustain 2016-17 | 54,023,781 | 54,023,781 | 54,023,781 |
| Projected student growth in 2017-19 | 57,693,368 | 57,693,368 | 57,693,368 |
| ELL factor adjustments passed last session | 901,515 | 901,515 | 901,515 |
| Local share of formula | (71,705,637) | (71,705,637) | (71,705,637) |
| Base adjustments for unobligated 2015-17 appropriation | (22,048,863) | (22,048,863) | (22,048,863) |
| House Amendments | | | |
| House Ed amendment (HB 1324) - In-Lieu Percentage | | 5,590,878 | 5,590,878 |
| House Approp amendment (HB 1013) - Regional Coordinator Grants | | | (800,000) |
| Total Expenditures | 1,935,504,163 | 1,941,095,041 | 1,940,295,041 |
| Increase over 2015-17 Base Level Funding | 18,864,163 | 24,455,041 | 23,655,041 |
| | | | |
| Formula per student rates | | | |
| Year 1 | \$9,646 | \$9,646 | \$9,646 |
| Year 2 | \$9,646 | \$9,646 | \$9,646 |
| | | | |
| Funding Sources: | | | |
| State Tuition Fund | 219,134,000 | 219,134,000 | 305,546,905 |
| Foundation Aid Stabilization - ongoing | 116,053,293 | 116,053,293 | 110,000,000 |
| Foundation Aid Stabilization - one time | | | 160,000,000 |
| General Fund | 1,581,452,707 | 1,605,907,748 | 1,364,748,136 |
| | <u>1,916,640,000</u> | <u>1,941,095,041</u> | <u>1,940,295,041</u> |