

# FISCAL NOTE

Requested by Legislative Council  
02/09/2011

## REVISION

Amendment to: HB 1445

**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.*

|                | 2009-2011 Biennium |             | 2011-2013 Biennium |             | 2013-2015 Biennium |             |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
|                | General Fund       | Other Funds | General Fund       | Other Funds | General Fund       | Other Funds |
| Revenues       |                    |             |                    |             |                    |             |
| Expenditures   |                    |             | (\$22,500,000)     |             | (\$47,500,000)     |             |
| Appropriations |                    |             | (\$22,500,000)     |             | (\$47,500,000)     |             |

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

| 2009-2011 Biennium |        |                  | 2011-2013 Biennium |        |                  | 2013-2015 Biennium |        |                  |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties           | Cities | School Districts | Counties           | Cities | School Districts | Counties           | Cities | School Districts |
|                    |        |                  |                    |        |                  |                    |        |                  |

**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).*

Campuses return to the state 50% of the state funding per student for each newlu enrolled non-resident, excluding MN students. NDUS campuses are NOT funded on a per pupil basis, so state support does not automatically increase or decrease with each change in enrollment.

**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.*

State funding per student is based on 11-13 Exec. Budget general fund operations appropriation by campus divided by Fall 2011 and Fall 2012 enrollment projections x 50%. If however, one assumes the biennial funding supports four regular semesters (fall and spring), per biennium, plus summer school, the funding per student would be significantly less and the resulting reduction in appropriations would be less.

**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.*

Although no revenue reductions are noted above, the significant loss of state funding could impact the campuses ability to serve some or all of these non-resident students thereby, also resulting in a loss of tuition, dining, residence, fee and other income.

**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.*

State General Fund appropriations would be reduced by \$22.5 million in 11-13 and \$47.5 million in 13-15 as campuses return the equivalent of 50% of the state general fund per student for each newly enrolled student (6,500 students in 11-13 and 13,400 in 13-15). As a result, expenditures would be reduced by a like amount. The reduction in expenditures continues to grow through the 15-17 biennium until there is four full classes of undergraduate students for two years of the biennium.

**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.*

State General Fund appropriations would be reduced by \$22.5 million in 11-13 and \$47.5 million in 13-15 as campuses return the equivalent of 50% of the state general fund per student for each newly enrolled student (6,500 students in 11-13 and 13,400 in 13-15). The reduction in appropriations continues to grow through the 15-17 biennium until there is four full classes of undergraduate students for two years of the biennium.

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