

FISCAL NOTE
Requested by Legislative Council
12/20/2016

Bill/Resolution No.: SB 2035

- 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			\$2,398,619			
Appropriations			\$2,398,619			

- 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			
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).*

Senate Bill 2035 removes the sunset clause on NDCC 15-18.2-06, thereby permanently establishing a minimum amount payable for the higher education funding formula at 96% of the previous biennium's general fund state aid.

- 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 statutory higher education funding formula provides monies from the state general fund to institutions of higher education for ongoing operational costs. The appropriation varies from biennium to biennium based on changes in actual student credit hour production, which is weighted by three factors: instructional program classification, credit completion volume and institutional size. The 96% minimum amount payable establishes funding floor for the general fund appropriation, which serves to limit funding decreases as credit production drops and limit increases as credit production increases. This provides additional time for institutions to respond to the change in funding level.

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.*

A \$2,398,619 general fund appropriation was included in the Executive Recommendation for Dickinson State University. Funds will be utilized for salaries, benefits and other operational expenses at the university. DSU is the only institution that experienced credit production decreases in excess of 4% since the 2015-17 biennium, which triggers the minimum amount payable section.

- 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.*

A \$2,398,619 general fund appropriation was included in the Executive Recommendation for Dickinson State University. Funds will be utilized for salaries, benefits and other operational expenses at the university. DSU is the only institution that experienced credit production decreases in excess of 4% since the 2015-17 biennium, which triggers the minimum amount payable section.

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