

FISCAL NOTE
Requested by Legislative Council
02/02/2017

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			\$1,605,907,748	\$335,187,293		
Appropriations			\$1,581,452,707	\$335,187,293		

- 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		\$1,941,095,041	
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.

- 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 bill adds \$24,455,041 over 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

The House Education Committee amendment changes the percentage of in-lieu of property tax revenue included in the formula to seventy-five percent for all categories listed in 15.1-27-04.1.1.f.

NOTE: The bill requires technical reference corrections to implement the amendment as intended.

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 have yet to be determined. The amounts identified in other funds are reported at the base level funding amounts.

Name: Jerry Coleman

Agency: Dept of Public Instruction

Telephone: 701-328-4051

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Fiscal Note HB 1324

	House - Original	House - 1st Enrg
Cost to Continue		
2015-17 Base Level - Integrated Formula Payments	1,916,640,000	1,916,640,000
Cost to sustain 2016-17	54,023,781	54,023,781
Projected student growth in 2017-19	57,693,368	57,693,368
ELL factor adjustments passed last session	901,515	901,515
Local share of formula	(71,705,637)	(71,705,637)
Base adjustments for unobligated 2015-17 appropriation	(22,048,863)	(22,048,863)
House Amendments		
House Ed amendment - In-Lieu Percentage		5,590,878
Total Expenditures	1,935,504,163	1,941,095,041
Increase over 2015-17 Base Level Funding		24,455,041
Formula per student rates		
Year 1	\$9,646	\$9,646
Year 2	\$9,646	\$9,646