

FISCAL NOTE
Requested by Legislative Council
02/13/2019

Amendment to: SB 2265

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$118,016,517	\$3,000,000		
Appropriations			\$200,000	\$3,000,000		

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts		\$118,016,517	
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).*

SB 2265 establishes the policy for implementing the K-12 funding formula, establishes an appropriation for rapid enrollment grants, and establishes an appropriation for a Research Based Literacy Intervention.
 SB 2013 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.*

Section 1 implements a weighting factor to get schools that are increasing students to on time funding using the fall enrollment count. It also has an adjustment the following year for those school districts using fall enrollment to adjust the payment using average daily membership the following year.

Section 2 sets the formula per student payment rates to:

Year 1 \$9,839

Year 2 \$10,134

School districts on the transition maximum receive a 5% increase each year of the biennium.

Section 2 also changes all of the in lieu of property tax deductions to 75%.

The difference between a school district's transition minimum calculation and the district's formula calculation is reduced 5% to create a new payment for the transition minimum.

Section 3 appropriates \$3,000,000 for rapid enrollment grants from the foundation aid stabilization fund.

Section 4 appropriates \$200,000 for research based literacy intervention.

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 (SB 2013) Amounts to be funded from general and special funds have yet to be determined. The amount identified in other funds is the \$3,000,000 addressed in section 3 of SB 2265.

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2017-19 Base Level - Integrated Formula Payments	1,935,204,163
Cost to Continue*	53,625,374
Per Pupil rate increase	72,760,971
5% & 5% Transition Maximum increase	4,331,460
Adjust Transition Minimum	(2,031,496)
2020-21 On Time Funding (WSU)	36,999,559
75% In Lieu Adjustment	5,756,023
Total Expenditures	<u>2,106,646,054</u>
Increase over 2015-17 Base Level Funding	171,441,891
 Rapid Enrollment Grants	 3,000,000
Research Based Literacy Intervention	200,000
Total Expenses	2,109,846,054
 Formula per student rates	
Year 1	\$9,839
Year 2	\$10,134
*Includes student projections and taxable valuation changes	
 Fiscal Note	
General Fund	118,016,517
Other Fund	3,000,000