

FISCAL NOTE
Requested by Legislative Council
02/24/2015

Amendment to: HB 1218

- 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.*

| | 2013-2015 Biennium | | 2015-2017 Biennium | | 2017-2019 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

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

| | 2013-2015 Biennium | 2015-2017 Biennium | 2017-2019 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).*

House Bill 1218 relates to school district ending fund balances.

- 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 2 amends the offset provisions to state aid payments by an amount the general fund ending balance exceeds actual expenditures.

Effective for school years 2014-15 and 2015-16 the amount is 40% of current expenditures plus \$20,000.
 Effective for school years 2015-16 and 2016-17 the amount is 35% of current expenditures plus \$20,000.
 Effective for school years 2017-18 and after the amount is 20% of current expenditures or \$500,000, whichever is greater.

Districts have until the end of school year 2017-18 to adjust their budget to avoid a reduction in state aid. This can be accomplished through increasing expenditures or lowering revenues.

As school districts individually control their budgets, no fiscal impact can be determined.

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.*

Name: Jerry Coleman

Agency: Dept. of Public Instruction

Telephone: 701-328-4051

Date Prepared: 02/24/2015