

FISCAL NOTE
Requested by Legislative Council
02/17/2017

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			\$1,364,748,136	\$575,546,905		
Appropriations			\$1,364,748,136	\$575,546,905		

- 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		\$1,940,295,041	
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.
 HB 1013 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.*

In its current form, the House has added \$23,655,041 to 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

NOTE: The Appropriations Committee amendments make technical reference corrections to HB 1324 that do not affect the 1st Engrossment fiscal note.

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 are as follows:

305,546,905 from State Tuition Fund
270,000,000 from the Foundation Aid Stabilization Fund
1,364,748,136 from the General Fund
1,940,295,041 Total Appropriation

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K-12 Funding Formula
 Integrated Formula Payments

	House - 01000	House - 03000	House - 04000
Cost to Continue			
2015-17 Base Level - Integrated Formula Payments	1,916,640,000	1,916,640,000	1,916,640,000
Cost to sustain 2016-17	54,023,781	54,023,781	54,023,781
Projected student growth in 2017-19	57,693,368	57,693,368	57,693,368
ELL factor adjustments passed last session	901,515	901,515	901,515
Local share of formula	(71,705,637)	(71,705,637)	(71,705,637)
Base adjustments for unobligated 2015-17 appropriation	(22,048,863)	(22,048,863)	(22,048,863)
House Amendments			
House Ed amendment (HB 1324) - In-Lieu Percentage		5,590,878	5,590,878
House Approp amendment (HB 1013) - Regional Coordinator Grants			(800,000)
Total Expenditures	1,935,504,163	1,941,095,041	1,940,295,041
Increase over 2015-17 Base Level Funding	18,864,163	24,455,041	23,655,041
 Formula per student rates			
Year 1	\$9,646	\$9,646	\$9,646
Year 2	\$9,646	\$9,646	\$9,646
 Funding Sources:			
State Tuition Fund	219,134,000	219,134,000	305,546,905
Foundation Aid Stabilization - ongoing	116,053,293	116,053,293	110,000,000
Foundation Aid Stabilization - one time			160,000,000
General Fund	1,581,452,707	1,605,907,748	1,364,748,136
	<u>1,916,640,000</u>	<u>1,941,095,041</u>	<u>1,940,295,041</u>