19.0822.01000

FISCAL NOTE

Requested by Legislative Council
01/07/2019

Bill/Resolution No.: HB 1152

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			$11,241,609			
Appropriations			$11,241,609			

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		$11,241,609	
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 1152 adjusts the baseline funding for school districts and decreases the percentage of in lieu of property taxes deducted from the integrated formula payment.

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.*

This bill would adjust the baseline funding that was established using the 2012-13 school district revenue. In the 2018-19 school year, there are 98 school districts that have their payments adjusted by either the transition maximum or transition minimum.

This bill will also adjust the percentage deducted from the integrated formula payments for revenue the school districts receive in lieu of property tax. Currently either 75 percent or 100 percent is deducted from the formula. The new deduction would be 65% effectively allowing school districts to keep a higher percentage of their in lieu of property tax money.

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.*

This bill will increase the expenditures in the integrated formula payment line by 11,241,609. Reducing the percentage withheld for in lieu of property taxes would increase the states expenditures by $20,831,872. The reduction in the baseline funding calculation would decrease the states expenditures by $9,590,263.

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.*

HB 1152 increases the state expenditure by $11,241,609 in the integrated formula payment.

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Agency: Department of Public Instruction

Telephone: 7013283291

Date Prepared: 01/11/2019

Decreasing the Deduction Percentage

	2019-21		75-100% Deduction		65% Deduction	Increase in State Aid
1300 Tuition	31,566,970	75%	23,675,227	65%	20,518,530	3,156,697
2999 County	69,011,687	75%	51,758,765	65%	44,857,596	6,901,169
US Flood	11,019,989	75%	8,264,991	65%	7,162,993	1,101,999
REC Gross Receipts	15,966,352	75%	11,974,764	65%	10,378,129	1,596,635
Mobile Home and other in-lieu	13,974,545	100%	13,974,545	65%	9,083,454	4,891,091
Telecom	9,097,948	100%	9,097,948	65%	5,913,666	3,184,282
	150,637,490		118,746,241		97,914,368	20,831,872

Total Fiscal Note	
Decrease in Baseline Funding	(9,590,263)
Increase cost for Adjust Deduction Percentages	20,831,872
Fiscal Note	11,241,609

Baseline Funding Adjustments HB 1152

CoDist	Dname	Current Baseline Funding	Proposed Baseline Funding	Decrease in Transition Maximum 2019-21	Decrease in Transition Minimum 2019-21	Decrease in Transition Adjustments 2019-21
01-013	Hettinger 13	2,774,578	2,757,297	-	-	-
02-002	Valley City 2	10,599,612	10,578,759	-	-	-
02-007	Barnes County North 7	4,523,477	4,508,400	-	30,154	30,154
02-046	Litchville-Marion 46	2,108,512	2,101,646	-	15,062	15,062
03-005	Minnewaukan 5	2,145,717	2,135,788	27,350	-	27,350
03-006	Leeds 6	1,943,275	1,936,536	-	13,477	13,477
03-009	Maddock 9	1,867,882	1,857,345	-	21,074	21,074
03-029	Warwick 29	1,944,458	1,941,049	7,743	-	7,743
03-030	Ft Totten 30	927,740	923,802	13,777	-	13,777
05-001	Bottineau 1	6,389,294	6,295,028	-	228,687	228,687
05-017	Westhope 17	1,745,118	1,723,624	-	50,806	50,806
05-054	Newburg-United 54	1,233,999	1,221,341	-	51,256	51,256
06-001	Bowman Co 1	5,451,328	5,293,030	-	362,078	362,078
06-033	Scranton 33	1,603,544	1,561,152	-	105,155	105,155
07-014	Bowbells 14	1,112,769	1,081,874	-	99,260	99,260
07-027	Powers Lake 27	1,691,244	1,611,674	-	285,303	285,303
07-036	Burke Central 36	1,510,052	1,473,894	-	72,316	72,316
08-001	Bismarck 1	103,120,774	102,599,789	-	-	-
08-028	Wing 28	1,085,765	1,076,596	-	-	-
09-001	Fargo 1	99,386,387	98,896,675	-	-	-
09-002	Kindred 2	5,981,948	5,952,939	-	-	-
09-004	Maple Valley 4	3,566,371	3,547,177	-	40,919	40,919
09-006	West Fargo 6	71,805,703	71,585,102	-	-	-
09-017	Central Cass 17	6,971,238	6,916,036	-	-	-
09-097	Northern Cass 97	5,335,392	5,313,702	-	-	-
10-019	Munich 19	1,732,011	1,726,189	-	14,246	14,246
10-023	Langdon Area 23	4,024,850	4,008,984	-	36,595	36,595
11-040	Ellendale 40	3,641,395	3,630,501	-	23,889	23,889
11-041	Oakes 41	4,773,350	4,761,878	-	-	-
12-001	Divide County 1	3,408,124	3,263,072	-	209,153	209,153
13-016	Killdeer 16	4,487,258	4,321,835	-	546,762	546,762
13-019	Halliday 19	703,726	690,473	-	26,507	26,507
14-002	New Rockford-Sheyenne 2	3,188,844	3,175,827	-	-	-
15-006	Hazelton-Moffit-Braddock 6	1,362,650	1,354,053	-	23,521	23,521
15-015	Strasburg 15	1,556,396	1,547,897	-	-	-
15-036	Linton 36	2,832,428	2,823,274	-	-	-
16-049	Carrington 49	5,166,128	5,150,177	-	-	-
17-003	Beach 3	3,084,668	2,976,764	-	-	-
18-001	Grand Forks 1	64,154,643	63,652,594	-	-	-
18-044	Larimore 44	3,929,901	3,904,010	-	-	-
18-061	Thompson 61	4,056,534	4,045,825	-	-	-
18-128	Midway 128	2,698,727	2,683,466	-	30,522	30,522
18-129	Northwood 129	2,753,495	2,747,201	-	-	-
19-049	Elgin-New Leipzig 49	1,888,911	1,866,122	-	62,715	62,715
20-007	Midkota 7	2,154,252	2,143,745	-	34,516	34,516
20-018	Griggs County Central 18	3,120,871	3,104,190	-	40,394	40,394
21-001	Mott-Regent 1	2,926,837	2,914,255	-	27,018	27,018
21-009	New England 9	2,503,691	2,470,059	-	100,905	100,905
22-001	Kidder County 1	3,766,715	3,734,049	-	-	-
23-003	Edgeley 3	2,749,284	2,739,851	-	22,458	22,458
23-007	Kulm 7	1,754,230	1,747,048	-	19,414	19,414
23-008	LaMoure 8	3,047,155	3,037,226	-	-	-

Baseline Funding Adjustments HB 1152

CoDist	Dname	Current Baseline Funding	Proposed Baseline Funding	Decrease in Transition Maximum 2019-21	Decrease in Transition Minimum 2019-21	Decrease in Transition Adjustments 2019-21
24-002	Napoleon 2	2,457,679	2,450,241	-	-	-
24-056	Gackle-Streeter 56	1,313,079	1,305,109	-	19,024	19,024
25-001	Velva 1	3,651,787	3,631,989	-	-	-
25-057	Drake 57	1,216,209	1,209,557	-	15,743	15,743
25-060	TGU 60	4,230,060	4,205,192	-	53,821	53,821
26-004	Zeeland 4	748,448	746,480	-	3,936	3,936
26-009	Ashley 9	1,656,546	1,649,457	-	17,470	17,470
26-019	Wishek 19	2,147,758	2,136,090	-	-	-
27-001	McKenzie Co 1	6,617,973	6,465,615	-	-	-
27-002	Alexander 2	1,345,500	1,312,509	-	174,814	174,814
27-036	Mandaree 36	1,334,598	1,304,739	103,709	-	103,709
28-001	Wilton 1	2,444,025	2,414,690	-	-	-
28-004	Washburn 4	2,721,362	2,682,459	-	-	-
28-008	Underwood 8	2,619,946	2,571,624	-	107,313	107,313
28-050	Max 50	2,024,522	1,996,391	-	-	-
28-051	Garrison 51	4,095,068	4,031,684	-	133,026	133,026
28-072	Turtle Lake-Mercer 72	2,167,671	2,131,553	-	86,635	86,635
28-085	White Shield 85	1,059,534	1,039,968	64,185	-	64,185
29-003	Hazen 3	5,019,913	4,908,912	-	-	-
29-027	Beulah 27	6,803,544	6,657,329	-	-	-
30-001	Mandan 1	31,014,434	30,824,839	-	-	-
30-013	Hebron 13	1,927,871	1,912,569	-	-	-
30-039	Flasher 39	1,953,127	1,944,719	-	-	-
30-048	Glen Ullin 48	1,885,878	1,878,409	-	-	-
30-049	New Salem-Almont 49	2,822,204	2,798,462	-	-	-
31-001	New Town 1	12,550,060	11,469,269	-	3,366,846	3,366,846
31-002	Stanley 2	6,221,015	6,119,626	-	289,036	289,036
31-003	Parshall 3	3,062,893	3,016,554	-	-	-
32-001	Dakota Prairie 1	3,949,594	3,929,264	-	46,570	46,570
32-066	Lakota 66	2,346,234	2,335,533	-	21,402	21,402
33-001	Center-Stanton 1	2,794,834	2,743,650	-	124,484	124,484
34-006	Cavalier 6	4,068,927	4,012,003	-	44,762	44,762
34-019	Drayton 19	2,011,775	1,993,573	-	48,023	48,023
34-043	St Thomas 43	1,094,485	1,081,330	-	26,310	26,310
34-100	North Border 100	5,800,547	5,735,348	-	130,397	130,397
34-118	Valley-Edinburg 118	3,025,378	3,008,047	-	34,661	34,661
35-001	Wolford 1	701,509	698,316	-	7,642	7,642
35-005	Rugby 5	5,280,307	5,247,389	-	-	-
36-001	Devils Lake 1	15,083,070	15,021,963	-	-	-
36-002	Edmore 2	1,179,676	1,173,891	-	11,568	11,568
36-044	Starkweather 44	1,027,891	1,024,035	-	7,712	7,712
37-019	Lisbon 19	5,813,372	5,793,187	-	-	-
37-024	Enderlin Area 24	3,314,404	3,294,396	-	-	-
38-001	Mohall-Lansford-Sherwood 1	4,262,215	4,189,139	-	146,153	146,153
38-026	Glenburn 26	2,753,218	2,695,639	-	-	-
39-008	Hankinson 8	3,067,110	3,053,729	-	-	-
39-018	Fairmount 18	1,495,407	1,490,262	-	11,311	11,311
39-028	Lidgerwood 28	1,883,495	1,873,472	-	-	-
39-037	Wahpeton 37	11,514,914	11,468,927	-	-	-
39-042	Wyndmere 42	2,584,774	2,577,639	-	-	-
39-044	Richland 44	2,950,794	2,939,734	-	-	-
40-001	Dunseith 1	3,568,017	3,559,500	31,185	-	31,185

Baseline Funding Adjustments HB 1152

CoDist	Dname	Current Baseline Funding	Proposed Baseline Funding	Decrease in Transition Maximum 2019-21	Decrease in Transition Minimum 2019-21	Decrease in Transition Adjustments 2019-21
40-003	St John 3	2,309,500	2,294,243	47,392	-	47,392
40-004	Mt Pleasant 4	2,625,129	2,602,926	-	-	-
40-007	Belcourt 7	8,870,163	8,870,163	-	-	-
40-029	Rolette 29	1,656,662	1,649,152	-	-	-
41-002	Milnor 2	2,259,409	2,256,395	-	-	-
41-003	North Sargent 3	2,276,223	2,262,811	-	-	-
41-006	Sargent Central 6	3,009,598	2,994,920	-	29,355	29,355
42-016	Goodrich 16	519,481	513,359	-	14,801	14,801
42-019	McClusky 19	1,119,599	1,112,613	-	18,462	18,462
43-003	Solen 3	1,634,923	1,631,402	10,472	-	10,472
43-004	Ft Yates 4	1,916,403	1,911,813	5,994	3,082	9,076
43-008	Selfridge 8	762,496	759,773	-	-	-
45-001	Dickinson 1	25,898,200	25,669,643	-	-	-
45-009	South Heart 9	2,402,897	2,367,029	-	-	-
45-013	Belfield 13	2,358,455	2,315,549	-	-	-
45-034	Richardton-Taylor 34	2,997,640	2,964,816	-	-	-
46-010	Hope 10	1,823,332	1,817,270	-	12,122	12,122
46-019	Finley-Sharon 19	2,093,271	2,085,685	-	15,172	15,172
47-001	Jamestown 1	20,040,436	19,985,090	-	-	-
47-003	Medina 3	1,757,851	1,750,394	-	10,159	10,159
47-010	Pingree-Buchanan 10	1,749,756	1,742,395	-	-	-
47-014	Montpelier 14	1,277,363	1,275,429	-	-	-
48-010	North Star 10	2,711,947	2,702,000	-	-	-
49-003	Central Valley 3	2,640,133	2,626,322	-	27,622	27,622
49-007	Hatton Eielson 7	2,140,048	2,130,505	-	-	-
49-009	Hillsboro 9	4,318,543	4,299,382	-	52,294	52,294
49-014	May-Port CG 14	5,005,323	4,987,677	-	38,517	38,517
50-003	Grafton 3	7,660,085	7,626,136	-	-	-
50-005	Fordville-Lankin 5	1,092,091	1,088,717	-	6,748	6,748
50-008	Park River Area 8	4,442,742	4,422,034	-	-	-
50-020	Minto 20	2,099,301	2,091,279	-	-	-
51-001	Minot 1	65,450,495	64,443,743	-	-	-
51-004	Nedrose 4	2,493,142	2,483,043	-	54,447	54,447
51-007	United 7	5,227,983	5,208,268	-	-	-
51-016	Sawyer 16	1,522,245	1,511,969	-	20,551	20,551
51-028	Kenmare 28	3,307,244	3,296,721	-	-	-
51-041	Surrey 41	3,585,169	3,548,958	-	-	-
51-070	South Prairie 70	1,806,823	1,769,927	-	-	-
51-161	Lewis and Clark 161	4,395,171	4,374,818	-	46,022	46,022
52-025	Fessenden-Bowdon 25	2,104,303	2,100,152	-	10,776	10,776
52-038	Harvey 38	4,372,280	4,372,280	-	-	-
53-001	Williston 1	25,729,892	25,519,818	-	-	-
53-002	Nesson 2	2,666,624	2,638,383	-	-	-
53-006	Eight Mile 6	1,737,691	1,722,106	-	-	-
53-015	Tioga 15	4,184,162	4,022,819	-	514,686	514,686
53-099	Grenora 99	1,803,357	1,785,866	-	60,320	60,320
03-016	Oberon 16	517,296	515,563	-	-	-
04-001	Billings Co 1	1,329,125	1,181,842	-	428,147	428,147
08-033	Menoken 33	356,261	353,292	-	11,793	11,793
08-035	Sterling 35	532,684	526,012	-	13,344	13,344
08-039	Apple Creek 39	718,296	711,478	-	13,635	13,635
09-007	Mapleton 7	1,317,645	1,311,742	-	20,552	20,552

Baseline Funding Adjustments HB 1152

CoDist	Dname	Current Baseline Funding	Proposed Baseline Funding	Decrease in Transition Maximum 2019-21	Decrease in Transition Minimum 2019-21	Decrease in Transition Adjustments 2019-21
09-080	Page 80	1,289,196	1,282,771	-	15,606	15,606
13-037	Twin Buttes 37	276,939	266,714	29,415	-	29,415
15-010	Bakker 10	206,548	206,096	-	1,285	1,285
17-006	Lone Tree 6	368,076	357,872	-	23,933	23,933
18-125	Manvel 125	1,207,095	1,199,802	23,839	-	23,839
18-127	Emerado 127	1,011,656	1,002,499	-	26,667	26,667
19-018	Roosevelt 18	1,200,744	1,192,560	-	16,367	16,367
25-014	Anamoose 14	1,029,071	1,024,385	-	-	-
27-014	Yellowstone 14	1,057,798	1,040,378	-	-	-
30-004	Little Heart 4	231,663	230,011	-	5,971	5,971
37-006	Ft Ransom 6	410,615	410,121	-	986	986
44-012	Marmarth 12	172,583	157,085	23,183	-	23,183
47-019	Kensal 19	715,164	713,074	-	4,394	4,394
53-008	New 8	4,151,119	4,127,614	-	151,903	151,903
08-025	Naughton 25	145,391	144,949	-	1,364	1,364
08-045	Manning 45	118,903	118,285	-	-	-
27-018	Earl 18	5,871	5,088	1,678	-	1,678
27-032	Horse Creek 32	54,532	52,957	-	6,439	6,439
30-017	Sweet Briar 17	103,152	102,721	-	-	-
Grand Total		969,360,908	960,707,522	389,921	9,200,342	9,590,263