

FISCAL NOTE
HOUSE BILL NO. 1214
LC# 25.0752.01000
01/13/2025

1 - 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.

| | 2023-2025 Biennium | | 2025-2027 Biennium | | 2027-2029 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | \$17,500,000 | | \$17,500,000 | |
| Appropriations | | | | | | |

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

| | 2023-2025 Biennium | 2025-2027 Biennium | 2027-2029 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

3 - 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 1214 changes the transportation payment calculation for school districts. The formula would include factors of square miles of the district, number of runs, and number of buildings in the district. The formula would no longer use rides as a factor.

4 - Fiscal Impact Sections Detail

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 adds transportation into the weighting factors in the foundation aid formula.

Section 2 provides the calculation to convert the transportation information into a weighted student unit to calculate the transportation funding. Transportation funding would increase as the per pupil payment increases.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Using the 2023-2024 transportation report, school buildings, and district square mileage, the increase in transportation funding would be approximately \$17.5 million for the 2025-2027 biennium. Including transportation into 15.1-27-03.1 with the other weighting factors of the funding formula would treat transportation funding and foundation aid funding similar. Transportation funding weighting factors would be included into the foundation aid formula and would be subject to local revenue reductions. Also, small school weighting factors would be multiplied to the transportation weighted student units depending on the enrollment of the district. School districts that receive no state aid in the foundation aid formula would likely no longer receive transportation funding as it would be offset by local revenue. The fiscal note of this bill would increase with increases to the per pupil payment.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

The appropriation for school district transportation is in HB 1013. The 2023-2025 appropriation is \$58.1 million. The new appropriation request would be \$68.5 million as not all \$58.1 million will be spent in the 2023-2025 biennium. The appropriation would likely need to be included with the Integrated Formula Payment appropriation.

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