

FISCAL NOTE

Requested by Legislative Council

02/21/2001

Bill/Resolution No.:

Amendment to: Engrossed
 HB 1344

1A. 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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$507,675,723		\$507,675,723	
Appropriations			\$22,132,880		\$22,132,880	

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
					\$507,675,723			\$507,675,723
					3			3

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

2. This bill sets the per student payment amount for foundation aid at \$2,255 the first year and \$2,278 the second year of the 2001-2003 biennium and adds new sections to chapter 15-40.1 relating to the reimbursement of school districts for increases in teacher compensation.

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.*

Expenditures under this bill are projected at \$507,675,723, \$461,035,668 for foundation aid and \$46,640,055 for teacher salary reimbursement.

NOTE: Section 3 of the bill limits the reimbursement provided to an amount arrived at by multiplying the number of full time equivalent teachers (FTE) times \$1,750 the first year and \$3,500 the second

year. Section 2 defines a teacher as an individual who:

1. Is licensed to teach or approved to teach by the education standards and practices board; but
2. Excludes administrators, assistant or associate administrators, principals, assistant or associate principals, special education directors, vocational education directors, directors of multi-district special education units, vocational and technology centers, and athletic or activity directors.

FTE projection:

1. There were 8,883.82 FTE that fall under the definition of "Teacher" in Section 2 of the bill (MIS system as of January 15, 2001).

2001-02	8,883.82	x	\$1,750	=	\$15,546,685
2002-03	8,883.82	x	\$3,500	=	31,093,370
Total	8,883.82	x	\$5,250	=	46,640,055

Foundation aid projections:	2000-01	2001-02	2002-03
1. Per student payments	\$2,230	\$2,255	\$2,278
2. Taxable valuation increase			3.6%
3. Mill deduct	0.032	0.032	0.032
4. Weighting factor adj percentage	75%	85%	100%
5. Percentage of approp. paid each year		50.50%	49.50%
6. Foundation aid funding required =	\$461,035,668		

Reconciliation:	Foundation aid	FTE	Total
Schafer Executive Budget	485,542,843	0	485,542,843
Hoeven Executive Budget	457,666,148	50,009,575	507,675,723
Projection HB1344	461,035,668	46,640,055	507,675,723

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

This results in a total increase to the Schafer executive budget of \$22,132,880 (decrease foundation aid \$24,507,175 and create a new line item for teacher salary reimbursement of \$46,640,055).

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Agency: Public Instruction
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Prepared: