

FISCAL NOTE

Requested by Legislative Council
04/20/2001

Bill/Resolution No.:

Amendment to: Reengrossed
 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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$509,049,148	\$0	\$509,049,148	\$0
Appropriations	\$0	\$0	\$23,506,305	\$0	\$23,506,305	\$0

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
\$0	\$0	\$0	\$0	\$0	\$509,049,148	\$0	\$0	\$509,049,148

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 \$2,349 the first year and \$2,411 the second year of the 2001-2003 biennium. The bill provides an appropriation for teacher bonuses, grants for national teacher certification and developing and implementing a teacher compensation report.

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.*

3. B Expenditures under this bill are projected at \$509,049,148, \$487,966,148 for foundation aid and transportation, \$20,800,000 for teacher bonuses, \$83,000 for grants to assist teachers in obtaining national certification, \$200,000 for developing and implementing a school district

employee compensation report.

Section 8 defines a teacher as an individual who:

1. Is licensed to teach or approved to teach by the education standards and practices board;
2. Is employed by a school district, special education unit or area vocational and technology center as a class 70 teacher, according to classifications of the superintendent of public instruction; and
3. Performs assigned professional activities that involve the selection, organization, presentation, and evaluation of students' learning experiences in the school environment.

Teacher bonus projection:

1. There approximately 8,000 FTE that fall under the definition of Teacher in Section 8 of the bill (MIS system as of January 15, 2001).

2001-02	8,000 x \$1,300 = \$10,400,000
2002-03	8,000 x \$1,300 = 10,400,000
Total	8,000 x \$2,600 = 20,800,000

Foundation aid projections:	2000-01	2001-02	2002-03
1. Per student payments	\$2,230	\$2,349	\$2,411
2. Taxable valuation increase			3.6%
3. Mill deduct	0.032	0.032	0.032
4. Weighting factor percent of five year average	75%	75%	75%
5. Percentage of appropriation paid each year		50.0%	50.0%
6. Foundation aid funding required	= \$461,035,668		

Reconciliation:	Foundation aid	Teachers	Other	Total
Schafer Executive Budget	485,542,843	0		485,542,843
House Version	461,035,668	46,640,055		507,675,723
Senate Version	487,966,148	20,800,000	283,000	509,049,148

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.*

3. C This results in a total increase to the Schafer executive budget of \$23,506,305 (increase foundation aid \$2,423,305, add \$20,800,000 for teacher bonuses, add \$200,000 to develop and implement a teacher compensation report, and add \$83,000 for grants to assist teachers to achieve national teacher certification).

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Prepared: