

FISCAL NOTE

Requested by Legislative Council
01/03/2003

Bill/Resolution No.: SB 2154

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.*

| | 2001-2003 Biennium | | 2003-2005 Biennium | | 2005-2007 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Expenditures | \$0 | \$0 | \$547,140,706 | \$0 | \$547,140,706 | \$0 |
| Appropriations | \$0 | \$0 | \$2,806,716 | \$0 | \$547,140,706 | \$0 |

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

| 2001-2003 Biennium | | | 2003-2005 Biennium | | | 2005-2007 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$547,140,706 | \$0 | \$0 | \$547,140,706 |
| | | | | | 6 | | | 6 |

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

This bill sets the per student payment amount for foundation aid at \$2,430 the first year and \$2,528 the second year of the 2001-2003 biennium, changes the weighting factor adjustment percentages to 85 percent the first year and 100 percent the second year, and establishes the reimbursement rates for reimbursing districts for increasing 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 \$547,140,706, \$478,918,706 for foundation aid and \$68,222,000 for teacher salary reimbursement.

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.*

Foundation aid factors:
-Per student payments

| | |
|---------|---------|
| 2003-04 | 2004-05 |
| \$2,430 | \$2,528 |

| | | |
|---|---------|---------|
| -Projected weighted pupil units | 108,345 | 106,232 |
| -Taxable valuation increase | | 3.6% |
| -Mill deduct | 32 | 32 |
| -Weighting factor adjustment percentage | 85% | 100% |
| -Percentage of appropriation paid each year | 49.67% | 50.33% |

Teacher compensation projections:

2003-04 Teacher FTE estimates

| | | |
|-----------------------------------|-------------------|--------------|
| -Teachers licensed over two years | 8,309 x \$3,500 = | \$29,081,500 |
| -Second year licensed teachers | 250 x 3,000 = | 750,000 |
| -First year licensed teachers | 250 x 1,000 = | 250,000 |
| | 8,809 | \$29,928,000 |

2004-05

| | | |
|-------------------------------------|-------------------|--------------|
| -Teachers licensed over three years | 8,059 x \$4,500 = | \$36,265,500 |
| -Third year licensed teachers | 250 x 3,500 = | 875,000 |
| -Second year licensed teachers | 250 x 3,000 = | 750,000 |
| -First year licensed teachers | 250 x 1,000 = | 250,000 |
| | 8,809 | \$38,140,500 |

Increase required to fund at factors in SB 2154

| | | | |
|--------------------|--------------------|--------------|-------------|
| | Per Student/Transp | Teacher Comp | Total |
| Executive Budget | 478,056,990 | 66,277,000 | 544,333,990 |
| Projection SB 5154 | 478,918,706 | 68,222,000 | 547,140,706 |
| Increase required | 861,716 | 1,945,000 | 2,806,716 |

Projections are based on data available at January 2003.

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|----------------------|---------------|-----------------------|--------------------|
| Name: | Jerry Coleman | Agency: | Public Instruction |
| Phone Number: | 328-4051 | Date Prepared: | 01/16/2003 |