

FISCAL NOTE

Requested by Legislative Council
04/01/2011

Amendment to: Reengrossed
SB 2150

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$86,755,599	\$15,338,000	\$96,843,599	\$15,338,000
Appropriations	\$0	\$0	\$83,955,599	\$15,338,000	\$94,043,599	\$15,338,000

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$99,293,599	\$0	\$0	\$109,381,599

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2150 is the K-12 funding and policy plan incorporating the recommendations from the ND Commission on Education Improvement.

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.*

SB 2150 contains the policy language for distributing the Grants - State school aid line item in SB 2013 DPI appropriations bill. The total increase is made up of \$94.3 million (Executive and Senate versions) plus \$85.6 million from Grants - Supplemental one-time and \$16.8 million Grants - Supplemental operations line item transfers.

Based on the House Amendments the costs are \$2.8 million over the appropriation as follows:

State school aid line item: \$97.1 (in millions):

- 54.3 to continue the existing formula.
- 2.4 for formula revisions.
- 2.5 to increase the formula weighting factor for Special Education.
- 37.3 to increase the per student payment rate.
- .4 for regional education grants.
- 5.0 for grants to school districts experiencing rapidly rising enrollments.

SB 2150 also contains the language for distributing the Grants - Transportation line items. The transportation line item contains \$5.0 million to increase reimbursement rates.

Other fiscal impact sections are that are not reflected in the numbers reported in section 1 above:

Section 1 delays the additional instructional day to the second year of the biennium. The cost of one instructional day per year was estimated at \$3,680,000 by the Commission on Education Improvement. The state aid formula includes funding for the instructional day for both years. This results in a savings to school districts choosing to delay implementation. It does not impact the state aid formula.

Section 6 limits the professional development advisory committee to three meetings per year. There is currently \$92,000 identified for the expenses of the advisory committee in the DPI operating line. The amendment reduces the

cost to \$24,000.

Section 15 provides a continuing appropriation from the lands and minerals trust fund for the ND Academic and Career and Technical Education Scholarship. During the first year of the program (2010-11) one cohort of freshman was added at an estimated cost of \$2 million dollars. Each year adds a new cohort of freshman until the program becomes fully enrolled at 8 cohorts in 2013-2015. Five cohorts will be funded in 2011-13 at a cost of \$10 million. The scholarships were included in the Executive Recommendation and are not included in the numbers reported in section 1 above.

Section 22 provides a weighting factor for alternative education programs for middle school students. The weighting factor would be implemented in the 2013-2015 biennium. The cost for a biennium is projected at \$1,088,000.

Section 31 provides the language for determining the amount of funding for supplemental teacher-effectiveness compensation (STEC). The stated intent is to limit the cost of the program to \$4.0 million. No funding source has been identified for this program.

Section 36 authorizes reimbursement for expenses of the Alternative Teacher Compensation System Review Panel to support the STEC plan. The executive recommendation contained \$20,000 committee expenses and \$280,000 for a professional consultant. No funding source has been identified for this program.

Section 37 changes the parameters for school construction loans from the coal development trust fund by increasing the amount of funds that can be borrowed and increasing the interest discount by ½ percent. The fiscal impact would be reflected in reduced interest income generated for the trust fund.

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.*

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 is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill is in the following line items in SB 2013.

SB2013 State school aid 83,955,599 General Fund 15,338,000 (State Tuition Fund)
SB2013 Transportation 5,000,000

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