

FISCAL NOTE
 Requested by Legislative Council
 04/12/2011

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	\$83,255,599	\$15,338,000	\$92,255,599	\$15,338,000
Appropriations	\$0	\$0	\$83,255,599	\$15,338,000	\$92,255,599	\$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	\$98,293,599	\$0	\$0	\$107,593,599

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.*

The Department of Public Instruction appropriation bill SB 2013 adds \$190 million to the Grants - State school aid line item and \$5 million to the Transportation line item for formula payments to school districts. The total increase for State School Aid is made up of \$87.6 million plus \$85.6 million from Grants - Supplemental one-time and \$16.8 million Grants - Supplemental operations line item transfers.

State school aid line item: \$87.6 (in millions):

- 50.7 to continue the existing formula.
- 2.4 for formula revisions.
- 2.5 to increase the formula weighting factor for Special Education.
- 36.4 to increase the per student payment rate.
- .4 for regional education grants.

Section 21 establishes the per student payment rates. The rates will need to be reconciled to distribute the appropriation. The rates are also supported by a \$9 million carry-forward of unobligated funds from the current biennium. The House intent was to establish the rates as proposed in the Executive Recommendation.

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

Section 32 authorizes reimbursement for expenses of the Supplemental Teacher Effectiveness Review Panel to support the teacher effectiveness compensation initiative. The executive recommendation contained \$20,000 committee expenses and \$280,000 for a professional consultant. The appropriation is in the ACTS review panel line item in SB 2013. The sections related to supplemental teacher-effectiveness compensation (STEC) were amended to leave the structure but remove the funding.

Section 40 provides for grants to school districts experiencing rapidly rising enrollments. The \$5.0 million

appropriation is in the grants - other grants line item of SB 2013.

Section 41 adds \$700,000 to the other grants line in SB 2013 for grants to school districts developing supplemental teacher effectiveness compensation plans.

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 funding in the state school aid line item.

Section 6 limits the professional development advisory committee to three meetings per year. The amendment reduces the cost to \$24,000. The DPI operating line item in SB 2013 was reduced to reflect this.

Section 33 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.

The section authorizing a continuing appropriation from the lands and minerals trust fund for the ND Academic and Career and Technical Education Scholarship was removed. The appropriation for the scholarships is in SB 2013 for \$10 million out of the lands and minerals trust fund.

The section adding a weighting factor for alternative education programs for middle school students was removed. The weighting factor would have been implemented in the 2013-2015 biennium.

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.

SB 2013 State school aid 72,255,599 General Fund 15,338,000 (State Tuition Fund)
SB 2013 Transportation 5,000,000
SB 2013 Other Grants - Rapid Enrollment 5,000,000
SB 2013 Other Grants - Teacher Effectiveness Plan 700,000
SB 2013 ATCS review panel 300,000

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