

FISCAL NOTE
Requested by Legislative Council
02/12/2013

Amendment to: SCR 4010

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(350,000)	\$350,000	\$(1,500,000)	\$1,500,000
Expenditures						
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

This resolution proposes a constitutional change to limit the balance of the foundation aid stabilization fund. The amendment sets the cap at 20% of the prior biennium state school aid line.

- 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.*

Section 1 removes language that requires interest income of the foundation aid stabilization fund to be transferred annually to the general fund. As amended, the new language proposed in section 2 limits the balance to 20% of the prior biennium state school aid line. The amendment removes the inflationary adjustment included in the resolution as introduced. Although this new section does not specify where interest earnings are to accumulate, it is assumed they would be allocated as determined by the legislature along with the excess balance of the fund. The fiscal impact assumes this measure is approved in the November 2014 general election and takes effect in December 2014. The November 30, 2014 balance in the foundation aid stabilization fund is estimated to be \$512 million. Twenty percent of the 2011-13 biennium school aid line item is \$184 million, \$328 million over the maximum fund balance pursuant to this legislation. Oil tax revenue and interest earnings accruing from December 2014 through June 2015 are estimated at \$94 million. The result is \$422 million available for transfer to another constitutional fund or for use to fund K-12 education during the 2015-17 biennium. If transferred to another special fund, there is no overall impact to the state; if used to fund K-12 education, there could be an offsetting reduction in general fund expenditures. Because the legislature has not established a state school aid amount for the 2013-15 biennium, there is no way to calculate what the maximum fund balance may be for the 2015-17 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.*

Interest that under current law would have accrued to the general fund from December 2014 through June 2015 is estimated at \$350,000. Interest income that under current law would have accrued to the general fund during the 2015-17 biennium is estimated to be \$1.5 million.

- 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.*

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