

FISCAL NOTE
Requested by Legislative Council
04/08/2015

Amendment to: HB 1162

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,811,666,000	\$219,134,000		
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts		\$2,030,800,000	
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).*

House Bill 1162 is the K-12 funding formula plan for elementary and secondary schools and mirrors the Senate version of SB 2031 (2nd Engrossment 15.0291.06000). The funding is contained in the DPI appropriations bill (Senate Bill 2013).

- 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 amendments add \$278,700,000 to the integrated formula payments line item for state aid formula payments to school districts and creates a new line item of \$6,000,000 for Powerschool previously funded through the integrated formula payments line item. See the attachment for explanation of the increases.

Other sections with fiscal impact (not included in 1A and 1B above):

Section 23 creates a school district reporting review committee made up of legislators, school district and DPI staff to study statutory and regulatory reporting requirements imposed on school districts. Committee expenses depend on the scope of the work. For purposes of this note, \$12,000 is estimated for travel and legislator per diem for four meetings.

Section 24 appropriates \$2,500,000 for supplemental grants to school districts serving high numbers of English language learners. The appropriation is contained in the grants – other grant line item in SB 2013.

Section 25 carries forward the appropriation for Autism Spectrum – Technology grants authorized last session. This has no impact on 2015-17 appropriations.

Section 26 provides for a contingent appropriation of \$1,252,627 for enhancing advanced placement course delivery and participation from unobligated funds in the grants-state school aid line item for the 2013-15 biennium. This has no impact on 2015-17 appropriations.

Section 27 provide for a contingent appropriation of \$200,000 for an early childhood education impact study from unobligated funds in the grants-state school aid line item for the 2013-15 biennium. This has no impact on 2015-17 appropriations.

NOTES:

Changes in revenue estimates and formula allocations recognized as local revenue in the K-12 funding formula have a direct impact on the amount of state funds required to fund the formula. These will ultimately need to be reconciled.

Language for providing additional school construction loan funds was removed from the bill. Language for the current program was maintained.

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

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Date Prepared: 04/09/2015

HB 1162 State School Aid Formula Bill

~~SB 2031 State School Aid Formula Bill~~

Crossover Status - Senate Appropriations

Base Level - Integrated Formula Payments	<u>\$ 1,752,100,000</u>
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Executive Budget Adjustments:

- Cost-to-continue second year integrated formula payment increase	62,000,000
- Projected student growth	104,000,000
- Increases in per student integrated formula payment rates	126,400,000
- Weighting factor adjustments	600,000
- Base adjustment for unobligated 2013-15 appropriation	(25,600,000)
- Increase in local cost share, including local property tax and income based on the executive recommendation relating to oil tax production and distribution	<u>(119,500,000)</u>
Total executive budget increase in integrated formula payments	147,900,000

Senate Adjustments:

- Anticipated reductions in local oil tax revenue	48,000,000
- Adjustments to property tax estimates	6,000,000
- Additional property tax relief	22,000,000
- Adjustments to per student integrated formula payment rates	(6,000,000)
- Additional professional development days	20,000,000
- Increase in "at risk" factor	39,000,000
- Adjustments to school size weighting factors	<u>1,800,000</u>
Total Senate increase in integrated formula payments	<u>130,800,000</u>
Total adjustments to base budget integrated formula payments	278,700,000

Appropriation - Integrated Formula Payments	\$ 2,030,800,000
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Funding Sources

General Fund	1,811,666,000
Special Fund	219,134,000

