

FISCAL NOTE
Requested by Legislative Council
04/27/2015

Amendment to: SB 2031

- 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			\$1,697,506,000	\$219,134,000		
Appropriations			\$1,697,506,000	\$219,134,000		

- 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		\$1,916,640,000	
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).*

Senate Bill 2031 is the K-12 funding formula plan for elementary and secondary schools. 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.*

SB 2031 adds \$164,540,000 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 28 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 30 authorizes \$1,000,000 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 31 carries forward the appropriation for Autism Spectrum – Technology grants authorized last session. This has no impact on 2015-17 appropriations.

Section 32 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 33 provides 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.

Section 33 provides for a contingent appropriation of \$50,000 for providing a review process for regional education associations 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 34 provides for a contingent appropriation of \$100,000 for providing grants to foster the creation of open curricular and instructional materials from unobligated funds in the grants-state school aid line item for the 2013-15 biennium. This has no impact on 2015-17 appropriations.

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.*

Funding for this bill:

Appropriation:

SB 2013 Integrated Formula Payments \$1,916,640,000

Funding Sources:

General fund \$1,697,506,000

Tuition fund \$219,134,000

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Agency: Public Instruction

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Date Prepared: 04/27/2015

Appropriation		Senate Ed	House Ed	Conference	
SB 2031		Exec Rec	15.0291.06000	15.0291.08000	15.0291.09000
	*SB 2013 Integrated formula payments	1,900,000,000	2,030,800,000	1,897,000,000	1,916,640,000
\1	SB 2013 Powerschool	6,000,000	6,000,000	6,000,000	6,000,000
\2	SB 2013 Other Grants - ELL	-	2,500,000	1,200,000	1,000,000
Appropriation required		1,906,000,000	2,039,300,000	1,904,200,000	1,923,640,000

Expenditures

Cost to Continue					
	*Base Level - Integrated Formula Payments	1,752,100,000	1,752,100,000	1,752,100,000	1,752,100,000
	Cost to sustain 2014-15	62,000,000	62,000,000	62,000,000	62,000,000
	Projected student growth	104,000,000	104,000,000	104,000,000	104,000,000
	Base adjustment for unobligated 2013-15 appropriation	(25,600,000)	(25,600,000)	(25,600,000)	(25,600,000)
	Local share increase - property tax	(77,300,000)	(71,300,000)	(71,300,000)	(71,300,000)
	Local share increase - other in-lieu of tax	(600,000)	-	-	-
	Local share increase - mineral taxes	(41,600,000)	5,800,000	5,800,000	(1,700,000)
Rate adjustments					
	Per Student Rate Adjustments	126,400,000	120,400,000	76,820,000	103,320,000
Formula enhancements/changes					
	At-Risk Factor for K-3	6,100,000	45,100,000	-	-
	ELL Factors	900,000	900,000	-	250,000
	Crossborder factor	(200,000)	(200,000)	(200,000)	(200,000)
	Migrant factor	(260,000)	(260,000)	(260,000)	(260,000)
	REA factor	420,000	420,000	-	-
	3rd through 5th PD day @ 0.003 each day	-	20,000,000	-	-
	School district size weighting factor	-	1,800,000	-	390,000
	Local Contribution Mill Rate - property tax relief	-	22,000,000	-	-
Other					
					-
\1	Powerschool factor	(6,360,000)	(6,360,000)	(6,360,000)	(6,360,000)
\1	Line Item to replace Powerschool factor	6,000,000	6,000,000	6,000,000	6,000,000
\2	English Language Learner Grants	-	2,500,000	1,200,000	1,000,000
Total Expenditures		1,906,000,000	2,039,300,000	1,904,200,000	1,923,640,000

Formula per student rates

Year 1	\$9,482	\$9,424	\$9,274	\$9,365
Year 2	\$9,766	\$9,766	\$9,459	\$9,646

*Includes Special Funds - State Tuition fund

2013	140,326,000
2015	219,134,000