15.0567.02000

FISCAL NOTE
Requested by Legislative Council
02/24/2015

Amendment to: HB 1233

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				$(24,784,000)		
Expenditures						
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			
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).*

Amended bill 15.0567.01001 removes $29.7 M general fund appropriation that would be used to offset lost tuition income resulting from a tuition rate increase in 15-17. However, the bill would freeze tuition in 15-17 biennium.

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 freezes tuition in 15-17 biennium, resulting in lost tuition income.

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.*

Per the higher ed funding formula, tuition rate increases ranging from 2-4.7% per year are required to offset the "student share" of employee compensation and benefit increases and estimated utility cost increases, totaling $24,785,000 (excludes operating inflation cost). A tuition freeze would result in lost potential tuition income of $24.784 million to cover these costs. Campuses would either have to forgo or limit these and other expenditures and/or reallocate funds from other sources to cover added costs.

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.*

Name: Laura Glatt

Agency: ND University System

Telephone: 701-328-4116

Date Prepared: 02/25/2015