

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/12/2017**

Bill/Resolution No.: SB 2194

- 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.*

|                       | 2015-2017 Biennium |             | 2017-2019 Biennium |             | 2019-2021 Biennium |             |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
|                       | General Fund       | Other Funds | General Fund       | Other Funds | General Fund       | Other Funds |
| <b>Revenues</b>       |                    |             |                    |             |                    |             |
| <b>Expenditures</b>   |                    |             | \$47,000,000       |             | \$94,000,000       |             |
| <b>Appropriations</b> |                    |             | \$0                |             | \$0                |             |

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

|                         | 2015-2017 Biennium | 2017-2019 Biennium | 2019-2021 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| <b>Counties</b>         |                    |                    |                    |
| <b>Cities</b>           |                    |                    |                    |
| <b>School Districts</b> |                    | \$47,000,000       | \$94,000,000       |
| <b>Townships</b>        |                    |                    |                    |

- 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 2194 requires the board of each school district to provide or contract for the provision of an approved early childhood program beginning with the 2017-18 school year.

- 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 bill adds a .50 factor for full-time equivalent students enrolled in an early childhood education program for purposes of determining state aid payments to school districts.

The assumptions used in this fiscal note are based on current year funding generated for kindergarten in the state school aid formula. Kindergarten grades are at roughly 9,000 students in ADM with an effective payment rate (after applying formula weights) of \$10,450.

If 9,000 full-time equivalent students participate, the cost for one year is \$47,000,000 or \$94,000,000 for a biennium.

The cost will vary directly with changes in student enrollment and changes to the state school aid formula.

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 has not been identified.

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