

FISCAL NOTE
Requested by Legislative Council
03/15/2017

Amendment to: SB 2321

- 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
Revenues						
Expenditures			\$800,000			
Appropriations			\$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
Counties			
Cities			
School Districts		\$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).*

This bill would increase the amount that a school district can have in their ending fund balance from 35% of expenditures plus \$20,000 to 35% of expenditures plus \$100,000. A school district's state aid is reduced the following year for any money in the ending fund balance that is over this amount.

- 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.*

Based on the last four years, 10-14 school districts have had an ending fund balance offset applied to their foundation aid payment. The effect of increasing the offset to \$100,000 in these years would have cost the state from \$200,000 to \$600,000 a year.

For purposes of this fiscal note, the average of the last four years was used to determine the expenditures of \$800,000.

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.*

HB 1013 contains the funding for the K-12 formula. The appropriation would not be changed due to the ability school districts have to control their expenditures and ending fund balance. Ending fund balance offsets have not been included in the budget.

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