

FISCAL NOTE
SENATE BILL NO. 2066
LC# 23.0073.05000
02/15/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$203,100,000			
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

SB 2066 changes contribution from property tax in the Foundation Aid Formula from 60 mills to 40mills for locally assessed property and 60 mills for centrally assessed property. This bill uses the 2022 taxable valuation for the 2023-24 and the 2024-25 school district payments.

4 - Fiscal Impact Sections Detail

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 2 shifts local contributions in the Integrated Formula payment to state funding. The decrease in the contribution from property taxes would lead to an additional \$203.1 million in state funding to the districts. Section 7 would decrease the school districts' levy authority in the general fund, mirroring the formula calculation. Section 1 and 7 also allows for adjustments to the funding formula property tax deduction and general fund levy at the exact

percentage change as the taxable value change compared to the tax year 2022.
Section 3 amends the minimum local effort calculation to mirror the property tax relief in section 2.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

This is a shift in funding sources with no additional revenues going to the school districts.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

The Integrated Formula Payment establishes a base level of funding for school districts. Section 1 of this bill will decrease the local share of the formula and increase the state share by \$203.1 million. This cost would continue into the 2025-27 biennium but are unable to be estimated at this time.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

There is no appropriation in this bill. The appropriation for the Integrated Formula Payment is in SB 2013 and would need to be adjusted accordingly.

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Date Prepared: 02/15/2023