

FISCAL NOTE
SENATE BILL NO. 2284
LC# 23.0697.05000
04/20/2023

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	\$(1,837,000)					
Expenditures			\$177,991,150			
Appropriations			\$6,000,000	\$41,837,000		

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 2284 addresses the school district Integrated Formula Payments and provides appropriations for school construction loans, the science of reading, dyslexia, and a reading training platform.

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 allows school districts to purchase minimal-value gifts for employees, speakers, or guests. School districts cannot use state funds for these gifts.

Section 9 Increases the special education weighting factor from .082 to .088. This will result in an estimated increase in the funding formula of \$15,660,200.

Section 9 also increases the on-time weighting factor to 1.0. The estimated fiscal increase is \$5,294,666.

Section 12 increases the per-pupil payment by 3.5% in the first year of the biennium and 3% in the second year. The estimated impact of this increase is \$133,283,787.

Section 12 also removes the transition maximum adjustments. Transition maximum adjustments result in districts being paid less than the per-pupil rate. The estimated cost is \$14,779,411.

Section 11 creates a separate weighting for school districts that have reorganized and operate 2 plants at least 14 miles apart. This has an estimated cost of \$8,973,086.

Section 13 increases the maximum allowed in the School Construction Revolving Loan Fund from \$10 million to \$15 million for projects under \$75 million and up to \$25 million if the construction project costs more than \$75 million.

Districts would also be able to refinance existing bonds into this loan fund.

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.

Section 21 uses \$1 million turnback money from the 2021-23 biennium for Science of Reading and \$837,000 of turnback money for dyslexia identification training.

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 changes in SB 2284 increase the expenditures in the integrated formula payments line in the DPI budget. The cost to continue is estimated to be (\$46,367,895). This results from lower than-projected enrollment during the 2021-23 biennium, projected increases in taxable valuation, and the phasing out of transition minimum adjustments passed in previous legislative sessions.

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.

Section 22 appropriates \$40 million for the school construction revolving loan fund.

Section 17 appropriates \$6 million of general fund dollars for grants to defray expenses of providing meals free of charge for students enrolled in public schools at or below 200% of the federal poverty guidelines.

Section 18 appropriates \$1 million for the science of reading.

Section 19 appropriates \$279,000 for identifying dyslexia characteristics.

Section 20 appropriates \$558,000 for training in a reading learning platform for one educator in every school instructing kindergarten through 3rd-grade students.

Contact Information

Name: Adam Tescher

Agency: North Dakota Department of Public Instruction

Telephone: 7013293291

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