

FISCAL NOTE
HOUSE BILL NO. 1607
LC# 25.0757.02000
01/24/2025

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.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$179,000,000		\$177,000,000	
Appropriations						

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

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 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).

HB 1607 creates an educational empowerment account for students not enrolled in a public school district or have not filed a statement to home educate.

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 of HB 1607 authorizes a transfer of the per pupil payment into a student's educational empowerment account for students eligible to enroll in a North Dakota public school but have not enrolled into a ND public school or filed intent to home school paperwork. The per pupil payment is currently set at \$11,072 per student. HB 1369 may increase the per pupil payment for the 2025-2027 biennium which would increase the cost of HB 1607. The fiscal note assumes nonpublic school enrollment of 7904 and 7945 for the next 2 school years. The cost to fund

these students is \$175,480,128. The fiscal note also assumes just over \$3.5 million for the first biennium to contract with a vendor to set up the educational empowerment accounts and debit cards authorized in this bill. The 2027-2029 estimate includes enrollment growth but also assumes that the contract to implement would go down after initial setup. The cost could also rise if students that have filed the intent to home school would withdraw their intent and enroll in a nonpublic school. If students were to transfer from a public school in North Dakota, there would likely be a cost savings as average student in a public school generates 1.20 weighted student units. The Department of Public Instruction would need to contract with a vendor that has the capability to implement an educational empowerment account. This would need to go through a large IT project process and require an executive steering committee. The timing of this work would not allow this process to be available for the 2025-2026 school year.

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.

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.

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.

Contact Information

Name: Adam Tescher

Agency: ND Department of Public Instruction

Telephone: 7013283291

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