

FISCAL NOTE

Requested by Legislative Council
01/14/2005

Bill/Resolution No.: HB 1379

1A. **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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$810,000	\$0	\$820,000	\$0
Appropriations	\$0	\$0	\$810,000	\$0	\$820,000	\$0

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$810,000	\$0	\$0	\$820,000

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1379 provides for the annual administration of curriculum-based achievement college entrance examinations for all grade eleven students, excluding students with substantial disabilities. These examinations are to be centered on the disciplines of reading, English, and mathematics. The State Superintendent will administer the examination and local schools will report certain performance and participation data.

In the preparation of this fiscal note, the Department of Public Instruction assumes that the term "curriculum-based achievement college entrance examination" does not imply anything other than the typical college entrance examination, e.g., the ACT or the SAT, currently in use nationwide. It is presumed, furthermore, that these "curriculum-based" assessments are not to be aligned to the North Dakota state content and achievement standards in reading, English language arts, and mathematics. If it is the intent of the legislative assembly that these examinations are to be "standards-based", then this fiscal note will require further amendment and result in an anticipated increased cost.

Current costs for the administration of a college entrance examination include \$44/student for the ACT and \$48/student for the SAT. Any selection of an appropriate assessment vendor would be determined by the State's procurement rules for the issuance and award of a Request for Proposals. For the purposes of this fiscal note, it is assumed that a reasonable future cost/student would approximate \$45/student. It is assumed, furthermore, that the administration of any college entrance examinations would be conducted according to current practice, where the vendor assumes responsibility for all ordering, scheduling, proctoring, processing, and reporting. The State would assume no responsibilities for any administration duties aside from those prescribed in HB 1379 regarding reporting.

The biennial expenditures are calculated on the following formula:

$$(9000 \text{ students/year}) \times (2 \text{ years/biennium}) \times (\$45/\text{student}) = \$810,000/\text{biennium}.$$

This fiscal note presumes a limited increase in costs during the 2007-09 biennium.

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.*

N/A

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.*

HB 1379 requires the projected expenditure of \$810,000 during the 2005-07 biennium and \$820,000 during the 2007-09 biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

HB 1379 requires a projected state appropriation of \$810,000 during the 2005-07 biennium and \$820,000 during the 2007-09 biennium.

The Department is available to answer any questions regarding this fiscal note.

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