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2007 SENATE EDUCATION

SB 2200

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: January 17, 2007

Recorder Job Number: 1280

Committee Clerk Signature

Minutes:

Chairman Freborg opened the hearing on SB 2200, a bill relating to the determination of state aid to school districts, relating to school district census, the school district equalization factor, weighting factors, supplemental payments, additional per student payments, property valuations and teacher compensation payments; to provide for a commission on education improvement; to provide for teacher compensation increases; to provide for contingent payments; to provide for a contingent transfer. All members were present.

Chairman Freborg explained the procedure for the hearing and asked for a show of hands of people who intended to testify in favor of and against the bill.

Senator Flakoll introduced the bill. (Written testimony attached) Meter 4:33

Representative Rae Ann Kelsch testified in favor of the bill. (Written testimony attached) Meter 9:42

Representative David Monson testified in favor of the bill. (Written testimony attached) Meter 11:22

Representative Pam Gulleson testified in favor of the bill. Meter 13:38 She wants to lend her support to the bill and commends the Commission on Education Improvement. She was part of the blue ribbon commission to evaluate the education formula in the early 90's and knows

how difficult it is and appreciates the open process and public input . Creating a formula is a challenge. We live in a state of extreme demographics – high population vs. very low, increasingly urban vs. very rural. It will never be beneficial to pit one against the other. Increasing dollars in the formula will be the key. Creating a great educational system is the greatest legacy we can pass onto our children.

Senator Ray Holmberg testified in favor of the bill. Meter 15:46. He is happy to be a co-sponsor of the bill. This bill embodies change. We are talking about perfection vs. good, You will not find perfection in this bill, and perfection is the purview of God. The legislature looks for good answers to problems and he believes SB 2200 is a good answer. He hopes the committee will give favorable passage to SB 2200 and send it down to appropriations where they await it with open arms.

Senator David O'Connell testified. Meter 17:17 This is the most challenging commission he has ever served on and the most time consuming. Normally we look at what is best for the majority when we try to pass a bill. In this case we have to look at what is best for all students, not just the majority of the students. He does have a couple of amendments and will present them when the committee has time.

Senator Bakke said she noticed Senator O'Connell was the only dissenting vote on the bill yet he is a sponsor. Can he explain that?

Senator O'Connell said he had concerns in the committee. He wanted to let the Senate Education Committee know he has concerns. He has concerns with the mills; they are looking at property tax. He has had some good discussions with Senator Flakoll regarding philosophy. By sponsoring the bill, he has some ownership. He hopes we can make it better.

Chairman Freborg said we are off to a good start, we have had six commission members testify in 15 minutes.

Lt. Governor Jack Dalrymple explained the bill. (Written testimony attached) Meter 20:42 The commission has outstanding members who were chosen for their knowledge of education funding. The commission will be available to assist the committee in any way it can, they do have a program that mirrors that of Department of Public Instruction so scenarios can be run. They can also help with information gathering. He reviewed the bill summary and list of terms. Chairman Freborg thanked the Lt. Governor for his testimony.

Wayne Sanstead, Superintendent of Public Instruction, testified in favor of the bill. (Written testimony attached) Meter 1:10:14.

Martin Schock, Elgin – New Leipzig – Carson school district testified in favor of the bill. Meter 1:19:46 We now have plusses in funding. The handout shows an example of a sampling of school districts and how this bill will affect their funding and it shows increases. Both of his districts will share because of their cooperative agreement. It can't be business as usual in education in academics or funding. We need to predict, project, prepare and forward think to be able to provide the services necessary for our students. We need to look at what we can do for each other, not just what we can do for ourselves. We need to look at what is best for our students, not just what is best for economic development or our pride. We need to expand our definition of community. Its no longer about "me", it's about "us", all of us across the state. It's about providing and equitable and adequate education for all students.

Doug Johnson, Executive Director of the North Dakota Council of Educational Leaders testified in favor of the bill. (Written testimony attached) Meter 1:23:00

Jack Maus, Superintendent of Grafton Public Schools, testified in favor of the bill. Meter 85:17. He was superintendent at Hatton Public Schools when the stay in the lawsuit was reached. Both Hatton and Grafton have a history of financial struggles and both levy above the 185 mill level. The two key provisions of the lawsuit stay were a minimum of $60 million of new money.

At the time he heard it, it seemed like a lot of money but when you begin to look at all the funding issues of the state, a lot of needs still can't be met, Secondly was the Governor's Commission on Education Improvement; it was and is a great success. There was great leadership and talented committee members. His expectations have been exceeded. $80 million is a big first step. The key change in the formula is the money follows the students. It is a transition and a framework for the future. Equity and adequacy can be reached. There are parts of the bill that are not necessarily favorable to his districts but we have to look at the funding issue as a whole and as a whole state.

Nancy Sand, North Dakota Education Association testified in favor of the bill. (Written testimony attached) Meter 1:28:32.

Paul Stremick, Superintendent of Dickinson Public Schools, testified in favor of the bill. (Written testimony attached) Meter 1:31:35

Jon Martinson, Executive Director of the North Dakota School Boards Association, testified in favor of the bill. Their delegates passed a resolution to support a formula for equity and adequacy. He appreciates that the commission has accepted his subcommittee recommendations that include additional funding for JPA's and for providing pilot programs for new two new technical centers in western North Dakota.

Warren Larson, Superintendent of Williston Public Schools. (Written testimony attached) Meter 1:39:54

Larry Klundt, Associate Professor of Educational Leadership, UND testified in favor of the bill. Meter 1:46:04 He distributed "Understanding School Finance for North Dakota K – 12 Schools". The problem in North Dakota is our schools are good. It's difficult to move to great or excellent because we get complacent. We have a once in a lifetime opportunity to create an equitable and adequate system that funds our schools. Many concepts in the bill are

addressed in the document he distributed. Some solutions are also in the document. He suggests we spend $10,000 per student. To go from good to excellent, we have to spend money.

Don Moore, former state senator for 12 years, testified in favor of the bill. In each session he spent a lot of time on education finance with no success. He thanks the commission members and is pleased they are proposing things he couldn't get done. They have done a remarkable job, no other group could have accomplished this, They are thinking outside the box. Three repealers are the great parts of the bill: the mill deduct, equalizing the state tuition fund and automatically adjustment of the weighting factor. This bill is so closely integrated, if you tinker with it, it won't work. The section about 70% of new money to teacher salaries is strange. It wasn't in the first report but was in the final report. The state should not mandate what to do with the money, it will take care of itself and he recommends an amendment.

Bill Gorder, Walsch County Commissioner, testified in favor of the bill. He is in awe of what the commission has done. Grafton has been in the lawsuit and he thought they should stay with the lawsuit, he didn't think the commission would get the job done. This is a monumental thing. He has been in the legislature on the Education Committee for 16 years. He is a farmer and appreciates what the commission has done.

Mike Kraft, School Board President for the Apple Creek School Board, testified in favor of the bill. (Written testimony attached) Meter 2:04:56.

Sandy Clark, North Dakota Farm Bureau, testified in favor of the bill. (Written testimony attached) Meter 2:10:13

Dan Donstad, President of the Grafton School Board, testified in favor of the bill. He is a plaintiff in the lawsuit. He was skeptical of the commission proposal. The commission has done a wonderful job. The bill will get us to a point where equity can be achieved. The only

agenda of the commission was what is best for the kids of North Dakota. Now is the time to act. This will launch us into an adequacy debate. Our hands are tied with the current formula.

Sarita McComish testified in favor of the bill. (Written testimony attached) Meter 2:17:33

Royal Lyson, Superintendent of the Center Stanton Schools, testified in opposition to the bill. He has one concern. The coal severance and coal diversion taxes are in place of real estate taxes. 65% goes to the general fund. The remainder is divided between the city, county and schools. It is unfair to use 75% of the imputed taxable value when the state general fund is already getting 65% of the coal severance tax. They are losing at both ends. They are at 175 mills.

Senator Gary Lee said Paul Stremick gave the example of $688 for this kind of input into one school district, why isn't nearly $700 per student enough?

Mr., Lyson said he wasn't here for Mr. Stremick's testimony. Since they are already giving 65% and they can't levy property tax on the plant, what alternative do they have?

Senator Gary Lee asked if the dollar amount is levied in lieu of property tax.

Mr. Lyson said yes but 65% goes to the general fund.

Senator Flakoll asked if he would be in support of legislation to have property tax instead of the coal tax.

Mr. Lyson said no.

Richard Ray, Administrator at Manville Elementary School, testified in opposition to the bill. Meter 2:27:46. The bill is crafted on taxable value per student. They have 150 elementary students and 85 students who attend the high school. Because they have to pay the cost for the high school students. The ADM formula needs to include the high school students as well as the elementary students. Make a simple revision. It doesn't matter where they are getting educated; their kids go to Grand Forks. If high school students are not counted in the ADM,

they look like a rich district and they are bumped out of the equity program. In truth, they are well below the state average. He likes most of this bill. Dr, Stremick pointed out the tuition benefit because the state aid would go up under the new formula and that is significant, it would save them 25 mills. He guesses it was an unintended consequence.

Representative Conrad testified in opposition to the bill. She is from the Minot area. This is the most important issue in the 3rd district this session. She has asked legislative council to prepare 2 amendments that will make this a bill she can support. She has 4 school districts in her district: the Minot district (the east side of Minot, some of the poorest areas in Minot), Surrey, who loves the bill, Nedrose and Bell, large schools who are hurt by this bill. Impact aid paid to the Minot Air Force Base School District, it is their only income and their only expense is to the Minot School District. We have to maintain a school district that appeals to the Air Force. The tuition paid by Nedrose and Bell for their high school students is equal to what Minot residents pay in property tax. They aren't given credit for those students. She understands they can't be counted twice. She would like to support the bill. Maybe we should wait 2 more years, put the $80 million into the current formula for two more years and get it right.

Senator Flakoll asked if she has seen the letter to Wayne Sanstead from the Attorney General regarding impact aid that says impact aid can be classified as tuition, do you disagree with that opinion.

Representative Conrad said legally that is probably right. She can't see a difference in Belcourt School District getting their money directly from the federal government and Minot School District getting their money from the Minot Air Force Base School Board.

Senator Flakoll asked if the taxable value in the Nedrose and Bell districts is fairly high behind each student.

Representative Conrad said some major industrial development is being done in the Nedrose School District. The same would go for South Prairie, The formula should be sound.

Senator Flakoll asked if she prefers the current formula, are they getting whacked by the current formula.

Representative said the flaw is so great, lets put off the bill and study equity again, Lets study adequacy first and equity second.

Senator Bakke asked if she is proposing foundation aid go to the sending district rather than the receiving district?

Representative Conrad said she also has Minot. They have tried to figure out what works for all. Minot needs the state dollars, but we need to give credit for the local contribution to those students.

Senator Horn, district 3, testified in opposition to the bill. Meter 2:42:00 He has many of the same concerns as Representative Conrad. He commends the commission and there is much to commend in the bill. There is work yet to be done to make this a better bill. Two of the elementary schools in his district are being hurt by the bill. Apple Creek and Manville has the same concerns. Surrey is being treated well by the bill and he is happy for them. Minot is a in a special category and would urge removing the impact aid from the formula. He doesn't think federal regulations allow it to be done. He urges the committee to be more fair and equitable and build a better plan.

Dr. Dave Looysen, superintendent of the Minot Schools and the Minot Air Force Base Schools testified in opposition to the bill. Meter 2:44:19 (Written testimony attached) He distributed a copy of public law 103-382 relating to Impact Aid. Senator Gary Lee asked with revenue of $6600 per student, what is their cost per student?

Dr. Looysen said that is the impact aid funds, they also get funds from the state of North Dakota. That money is all blended into the Minot Public Schools and he hasn't taken it out directly. For the middle school on the base, it costs more than any other school in the district. The enrollment is declining but you have to keep teachers. It costs about 25% more.

Senator Gary Lee asked what is the cost per student in Minot.

Dr. Looysen said the cost is just under the state average, around $6600, combined for both districts.

Senator Flakoll asked when impact aid is no longer impact aid?" When a teacher receives money as part of their salary from impact aid and pays their property tax, is that impact aid?

Dr. Looysen said no.

Senator Flakoll said he wants to clarify the point that the question is only in terms of equity payments, not in per pupil payments.

Dr. Looysen said it affects imputed value which in turn affects the equity payments.

Senator Flakoll said if you are not eligible either way for equity payments the point is moot.

Dr. Looysen they would get equity payments if they didn't have the air force base money and students included.

Senator Flakoll said the commission looks at this from a long telescope, looking 10 or 20 years or 50 years out. If their situation changes, some growth areas, some manufacturing, and Minot is not eligible for equity payments, are we in agreement that it only applies to equity payments.

Dr. Looysen said he believes so.

Scott Moum, Business Manager, Minot Schools testified in opposition to the bill. (Written testimony attached) Meter 2:57:17

Senator Flakoll asked if his amendments went from 50% of the high valuations to 75% of the high valuations.

Mr. Moum said he did not see that in the last commission report, maybe he missed it. He is pretty certain the 2% transition minimum is there.

Senator Flakoll asked if county income should be counted?

Mr. Moum said it's not for him to say.

Senator Flakoll clarified he meant minerals.

Mr. Moum said that is for greater discussion. They are not able to tax the oil wells in their districts just as Minot is not able to tax their B52 bombers.

Vicky Steiner, Executive Director of the North Dakota Association of Oil and Gas Producing Counties testified in opposition to the bill. (Written testimony attached) Meter 3:03:50

Chuck Miller, Administrator of Nedrose Elementary School testified in opposition to the bill. Meter 3:10:05 His is a graded elementary district and he has concern with imputed value issue because they can't count their high school students. Overall the work of the commission is good; it just needs one small change. The graded elementary districts had no direct voice on the commission. They will see some benefit from lower tuition payments but the assurance of reduced tuition is very limited and unknown. They did not receive foundation aid payments for their high school students but they did receive tuition apportionment payments which generated considerable revenue for their district and that has been removed. Another concern is the protections are limited by hold harmless provisions, in a few years we will start to see some of these protections disappear. We are looking at 2 – 7%. A lot of the data is old.

Rick Solberg, Administrator at Bell Public School, testified in opposition to the bill. Meter 3:16:06 They are one of the three or four graded elementaries. If they are allowed to count high school students, they have $13,000 valuation per student, without them, they have an $18,000 valuation. He compared their taxable valuation to the K-8 district next door that would get more money under the new plan.

Roger Slotsve, Minot School Board, testified in opposition to the bill. Letter to Chairman Freborg attached. The district in the state that is supported only with federal funds spends over $9000 per student, where is equity in that? In 41 years he has never seen anything as positive as this bill.

Dave Wisthoff, Glenburn School, testified in opposition to the bill. They have a unique situation; mills aren't as high as they like them to be. A few years ago, they lost $95,000 per year in tuition. They did not make changes at that time. Have about 50% military students, they get some impact aid, it has decreased recently. They have oil money as well. Last year they deficit spent $90, 000 and are set to deficit spend $105,000 this year. The plan gives them $20,000 in new money next year, it won't go very far. It is hard to explain to the community.

Brian Nelson, Lewis and Clark School District, Berthold, Plaza, Ryder, Makoti testified in favor of the bill. They tried to raise mill levy but Ward County auditor wouldn't let them, Attorney General let them raise them. It would have big impact if raised to 170 mills in section 21. Be cautious.

Maria Wancheck, parent from Apple Creek testified in opposition to the bill. She does not want the Apple Creek school to close. Her son is in kindergarten. She discussed equity and adequacy. She is in favor of a small school environment.

Steve Heim, Superintendent at Anamoose School District, testified in favor of the bill. He has one area of concern. Meter 3:32:57 They have one student being educated out of district. At the 4.5 times the state rate, they would be liable for $33,000 which is more than 10% of all state revenue they would generate. For a small district, one or two such students is a devastating bill to foot.

Senator Flakoll asked if he has a solution.

Mr. Heim said maybe a limit to a certain portion of the total budget, maybe 2 or 3%. Right now they have appropriations of about $900,000. Right now, the one student with transportation costs, tuition, room and board, they are spending about $50,000.

Senator Flakoll asked if he means 2 – 3% of entire budget for all special education needs.

Mr. Heim said for one student, It's just something to think about.

Chairman Freborg closed the hearing on senate bill 2200.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: 1598

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on SB 2200.

Chairman Freborg suggested the committee go through the bill one section at a time.

Senator Flakoll advised caution in tinkering with one thing in the bill that will affect other parts of the bill. Some changes are desired based on individual circumstances. If we get into "an eye for an eye" discussion, we could go back to court.

Senator Flakoll explained each section of the bill.

During the discussion of section 3, Chairman Freborg asked if there had been any discussion on the Governor's Commission about making half day kindergarten mandatory.

Senator Flakoll said not to his recollection. Current law states half day kindergarten must be offered if the parents want it but the compulsory attendance age is 7. Law also states that once a student is enrolled in kindergarten and then they drop out they cannot reenroll that same year.

Chairman Freborg asked if we are doing any favors allowing some children to attend kindergarten while some do not. It is not the child's choice, it is their parents' choice. If we are having trouble preparing students for first grade with half day kindergarten, what about the

students that are receiving no kindergarten? He has always believed there should be mandatory half day kindergarten.

Senator Flakoll said last session the schools put together a bill for full day kindergarten and there was no public support.

Senator Bakke said she agrees it should be mandatory.

Senator Flakoll said those who are against kindergarten say any gains kids who do not attend kindergarten catch up to their peers by 4th grade.

Senator Gary Lee asked if kids drop out of kindergarten and drop out, can they go back?

Senator Flakoll said 2200 reverts back to the provision that prohibits yoyo in and out.

Chairman Freborg told the committee we can go back to any section.

There was more discussion about the cost of half day kindergarten , mandatory half day kindergarten and cost of full day kindergarten.

Senator Flakoll continued with an explanation of the bill, beginning with section 4. Meter 18:14 Section 7 has the weighting factors for students. Meter 25:30 This was originally based on the current appropriation. In special education, ELL, where additional dollars are provided, the base reflects those extra dollars. As we move towards adequacy, these will be modified.

There was significant discussion of line 24, special education. The special education units and sometimes the schools like to have an amount specified for special education purposes. The numbers were retweeked many many times so the dollars would reflect the weighting factor. This does not cover the students under contract.

Senator Bakke asked why the weighing factor was so low for L & M, preschool special needs and special education, she was told they were at that level to keep them current for current funding. That's telling her there is no new funding.

Senator Flakoll said that may have been true at one point. It was built from an additional $6 million for special education. The dollars aren't following based on need, they are based on student numbers.

There was more discussion of weighting factors for special education and contracts for high need special education children, ELL, migrant students.

Senator Flakoll resumed explanation of the sections of the bill, with section 8. Meter 37:02

Senator Taylor asked how may schools are considered small but isolated,

Doug Johnson, who was listening to the discussion, said 2.

Senator Flakoll said they were told repeatedly that sections 11 and 12 have never been used in North Dakota history.

Senator Bakke observed they were very punitive.

Senator Flakoll said Department of Public Instruction does everything possible to see a school does not lose accreditation.

Section 13 contains the imputation formulas. The Governor's Commission felt strongly a dollar should be treated as a dollar and everyone should be brought to 90% of the statewide average as far as the dollars behind each student. Some people want no consideration given to mineral and tuition income, some want it considered at 100%.

Chairman Freborg said there will be amendments on this section.

Senator Flakoll continued to explain the section of the bills with section 14.

Chairman Freborg closed the discussion on SB 2200.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: January 23, 2007

Recorder Job Number: 1695

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on SB 2200.

Senator Flakoll said in follow up, there had been questions in the committee about ELL and he distributed a District Report by Language Level for ELL. (Copy attached)

Senator Flakoll continued with his review of the bill, beginning with section 17.

There was some discussion of summer school section 19. Meter 8:49

There was discussion of section 21, minimum local effort. Senator Flakoll said the presentation by Paul Stremick on this issue is very good. He has provided it to the committee and he also submitted a copy to the clerk for the record. (Copy attached) The level was at 170 originally and the Governor's Commission decided to move more slowly to that. Some schools are at 30 mills and they could care less. The bill calls for 155 mills the first year, 160 the second year and thereafter. He is aware of some amendments to this section.

Senator Flakoll said section 22 will get some attention. It deals with the imputation value. He referred the committee to page 28 of the Stremick presentation.

Section 25 contains the ending fund balance language. It had to be added back since it was in the mill deduct section.

Senator Flakoll said the Attorney General has issued an opinion on regarding section 26 and it is legal.

Senator Flakoll referred the committee to pages 38 and 39 of the Stremick presentation for section 29. The dollars follow the student, there is no mill deduct.

Senator Taylor asked, in section 31, is the addition of tutoring for at risk kids?

Senator Flakoll said it is not so much for at risk kids as the thought that the receiving district should not have to pay tutoring expenses. This permits the sending district to levy for tutoring.

Section 33, contracts for special education, will receive some attention. This is for the extremely high cost students. This is a compromise. The big concern is extremely high cost. 4 ½ times the state wide average is about $33,000, anything over this is paid by the state. The Governor's Commission said lets start with equity and we will move to adequacy. Schools prefer knowing the very high costs will be paid. They would rather pay all costs over 2.5 times the state average but we cannot afford it.

Senator Bakke asked if by setting the level at 4.5 times isn't the state actually paying less?

Senator Flakoll said there are about $2 million in new money in special education.

Senator Flakoll explained the current payment procedure for contract students and the added funding from the bill.

Senator Taylor said the 2.5 times level wasn't really 2.5 times; it was not backstopped and fully guaranteed. He will want to return to this section.

Senator Flakoll said section 54 is the backstop.

Chairman Freborg asked if this guarantee is just like the last one. He hopes the dollars remain there and keep up with costs.

Senator Flakoll said there are 2 backstops; one is a contingency line of $1 million the second is a transfer from the Bank of North Dakota to be sure we can cover our obligations.

There was discussion about the difficulty of determining the cost of half day kindergarten.

Chairman Freborg said the estimate changed $12 million in 2 hours when he was discussing it with Department of Public Instruction.

Senator Flakoll continued with review of section 34.

Senator Taylor said he has a little amendment for section 39.

Chairman Freborg said the committee can return to any section. Meter 1:02:51.

There was some discussion of section 41, loans for construction projects.

There was some discussion of section 43, ELL and the payments for students in the 4 language levels.

Chairman Freborg closed the discussion of SB 2200.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: January 24, 2007

Recorder Job Number: 1760

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on SB 2200.

Senator Flakoll resumed his review of the bill with section 45.

Regarding section 47, Senator Bakke asked if all districts have given 70% of new money to teacher salaries or have they just not reported that they haven't.

Senator Flakoll said he knows of no district that hasn't. With the scrutiny of the school districts, one would think a flag would have been raised if they had not. In the 2003 session, in the Fargo district, the language required 70% and his district was at 283% so in some districts it is not an issue.

Senator Flakoll continued his review through section 50 when Chairman Freborg closed the discussion, to resume after lunch.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: January 24, 2007

Recorder Job Number: 1854

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on SB 2200. All members were present.

Senator Taylor introduced amendment 70120.0806 and explained the amendment. The amendment looks at excess costs on special education. In testimony we heard of the concerns of Anamoose and have an impact on small school districts. He has discussed this with the Lt Governor. He did not think this would change the spirit of the bill and the provision of equity. The amendment would cap the cost of the special education contract students at 2% of the that school district's total annual budget. Anamoose has a total annual budget of $800,000. You can imagine, if they had a couple of students, that could be $100,000, 20% of their budget on 2 students. He has not run a fiscal to see how many this would catch, that will be hard to determine. It would alleviate the paid of the cost to some of our very smallest districts.

Senator Taylor moved amendment 70120.0806, seconded by Senator Bakke.

Senator Gary Lee said we have no idea of the cost of the amendment.

Senator Taylor said we would have to get Department of Public Instruction to analyze this. Within his district, this is the only instance; it depends on the size of the budget.

Senator Flakoll asked their total percentage cost of special education in that district?

Senator Taylor said he believes it was $30,000, $50,000 with transportation. If it was capped at 2%, they would be liable for $18,000.

Senator Flakoll said he means overall special education budget. Statewide we are 14 – 15% of all expenditures in the school districts are for special education. This morning we heard $122 million for special education, that is about 15%. 2% vs. the statewide average?

Senator Gary Lee said there would be an awful lot of additional cost, if it wasn't geared to a small district.

Senator Taylor said it would still be relative. We could pull some numbers. We are looking at contract students, the high cost students.

Senator Gary Lee asked if it would do the same thing if we worked with the weighting factor, that would be more controlled.

Senator Taylor said that would be more expensive. 2 students in a school district of 80 is a big deal.

Senator Flakoll said he would like to ratchet it down, what are the unintended consequences?

Senator Bakke asked if it would narrow the focus if school size was included along with the 2%.

Senator Taylor said that is a possibility. Maybe he can work with Bob to get the figures from the other districts.

Senator Gary Lee said without knowing what it would do, he could not support the amendment.

Chairman Freborg said it would be a floating cost, dependent on new students.

Senator Taylor withdrew the motion.

Senator Flakoll said would it be the total annual budget, including construction?

Senator Taylor said he would have to check.

Chairman Freborg asked him to get the information in hand and we will take it up again.

Senator Bakke distributed a proposed amendment, the Bakke 1 amendment, attached. (meter 12:10) The amendment deals with ELL. Why is there a weighting factor of .23 on level 1- level 2, if they are ELL, they are ELL and should have the weighting factor. She is eliminating the leveling system. In visiting with teachers, sometimes the level 3 and 4 kids need more help. She also raised the weighing factor on special education to put more dollars in special education.

Chairman Freborg asked the effect.

Senator Bakke said the effect would be $53 million added to special education.

Senator Gary Lee asked if this ties to the bill we heard this morning. Does it drive all of that through 2200?

Senator Bakke said she heard this morning, people want to drive a lot of it through 2200 and she is willing to Do Not Pass 2279 if she could put it in 2200. It is not in addition to 2279.

Senator Flakoll said for ELL, this would pay equal amounts for levels 1, 2, 3, 4, regardless of differences.

Senator Bakke said yes. Right now that is what you are doing for levels 1 – 2, giving them the same weighting factor. If a child is ELL, they are ELL. You would not distinguish.

Senator Flakoll said you would have to change the weighting factor to something significantly less. We raised it to .23 when everyone was rolled together. If we pull it apart and pay 3 and 4 the same as 1 and 2, it will be the obverse of that.

Senator Bakke said in the bill nothing is being paid for levels 3 and 4.

Senator Flakoll said that is correct. When they focused on those of the greatest need, they took all the money they currently have. When we first started with ELL programs, we focused on the greatest needs and then added another level over the years when we could squeeze a little more money out. In testimony we heard the difference between levels 1 and 2 gave us

confidence the funding decision to not differentiate was appropriate. This past year we have seen an increase of 1200 students in ELL. He worries about providing the resources for the appropriate people yet we will need to take from other sources.

Senator Taylor asked if there was a dollar cost differential between the remediation of levels 1 and 2 vs. levels 3 and 4.

Senator Flakoll said the greatest break is with the higher numbers and declining amounts of dollars. He does not have the figures.

Senator Bakke asked if Senator Flakoll would be more comfortable with levels 1 and 2 were .20, levels 3 and 4 were .10. The concern she is hearing from the ELL people is when we passed on their JPA ELL bill, they are feeling uncomfortable with the level of service they can provide. One way to do it is through the formula.

Senator Flakoll said a gripe during testimony on the ELL bill is some categories, they are getting $10 per student and the paperwork on 3s and 4s is eating them up. The cost – benefit ratio of doing the paperwork is low. They talked in the Governor's Commission about possibly doing something on the contingency line for the 3s and 4s. The numbers he receives from various sources are different. (Meter 23.33)

Senator Bakke asked for comment on the special education weighting factor.

Senator Flakoll asked what would be the difference if you put a specified number of dollars toward special education on the per pupil payments? Schools would get the exact same amount of money. We can make the weighting factor whatever we want for special education, but if we go dollar for dollar, the school will get the same money either way. If you have $5 million for special education, you can put it through the weighting factor or through base funding; school district xyz will get the exact same amount of money either way.

Senator Taylor said some of those dollars would be dedicated to the high cost 1%.

Senator Flakoll said not the weighting factor. The special education folks like the designated amount but the school districts get the same amounts. The contracts are over and above.

Senator Taylor said the goal is $54 million, to get more money to every school for their special education needs or do we want to dedicate a portion to lowering the 4.5X responsibility for contract students?

Senator Bakke said she has another amendment to lower the 4.5. This would put more money out there for every child but that seems to be the way they have historically been funding special education.

Senator Flakoll said if he had $1 million new money for special education, he would be more inclined to put it towards contracts.

Senator Bakke asked put $1 million to 1% of students?

Senator Flakoll said 1% of special education students.

Senator Bakke said not all special education student goes on contract.

Senator Flakoll said the contracts are 1% of all special education students. There are 14,000 special education designated students in North Dakota, 1% are eligible for contracts so about 140 students would be eligible for that $17.5 million.

Senator Taylor said with the needs of rural districts, he would feel better with payment not going out through ADM. You never know where those contract kids are going to show up. Those schools are certainly not going to benefit from an increased weighting factor

Senator Bakke moved the Bakke 1 amendment, seconded by Senator Taylor.

The motion failed 2 – 3.

Senator Bakke distributed the Bakke 2 amendment. She said it would address issues for excessive costs on special education contracts, it decreases what local districts pay on contracts.

Senator Flakoll said he would like it better if the effective date was July 1, 2009, so it would be 4.5X for the first biennium then as part of a move towards adequacy; we define how we will move down that road. He has no clue what this would cost. There is a balloon point; this will open it up for a great number more beyond the students who are currently eligible for 4.5X. The lower threshold will increase the number of students. He would prefer moving the threshold progressively.

Senator Bakke said they say there are new dollars for special education but there aren't. It's hidden in the "now we will pay our bills but we haven't paid them before" philosophy. In the past they haven't done it. We need to put some substantial money into special education. We can't afford to continue to lay flat on our special education funding. This is one place we could do it. We are getting farther and farther behind.

Chairman Freborg asked the impact of the amendment.

Senator Bakke said that is hard to know, it depends on how many kids are on contracts.

Senator Flakoll said we can figure the incremental difference in the 140 students, but how many more will we pick up? That is a Department of Public Instruction question.

Senator Taylor said he thought it was 1%, 140 students would qualify for excess costs.

Senator Flakoll said in discussion the 4.5 threshold translates to about 1%. He interpreted the amendment that the threshold would change, it would qualify more students.

Senator Bakke said she will get the dollar amount.

Senator Flakoll said if we assume 140 students, the move from 4.5 to 3 is 1.5 and would add $3 million on those 140 students.

There was discussion of the math. (Meter 40.59)

Senator Bakke confirmed more students would be eligible; it could go up 20 or 30 kids.

Senator Flakoll said it could go up by hundreds.

Senator Flakoll introduced amendment 70120.0811. The minimum mill levy effort would go from 155 to 150 the first year and from 160 to 155 the second year and thereafter. (Meter 46.07)

Senator Flakoll moved amendment 70120.0811, seconded by Senator Taylor.

Senator Flakoll said this is as far as he is interested in going.

Senator Gary Lee asked the impact of the amendment.

Senator Flakoll said it would affect 43 school districts.

Chairman Freborg said one forth of the school districts.

Senator Taylor said schools who want to make an effort and receive state aid have already gone to 140 mills from prior legislation. 18% would allow you to raise 25 mills but it actually goes by dollars, not by mills. This makes it more in reach, the move from 140 – 150 within a years time.

Chairman Freborg said they could but the mills are adjusted by the size of the budget, can every district spend X number of dollars more to qualify?

Senator Taylor said no, he likes 140.

Chairman Freborg said we talk about reducing property taxes, this raises them. He understands for equity we need to do that, maybe we should have just 8 school districts in the state. That would level it out.

Senator Flakoll 19 high school districts fall below the 155 threshold, 8 fall below 150. With graded elementaries, 7 are below 155, 7 are below 150. Some are in the 40 mill range and could care less.

The motion passed 5 – 0.

Senator Bakke introduced amendment 70120.0803 from Representative Conrad. She reviewed the amendment. (Meter 52.0)

Chairman Freborg asked if Anita Thomas did the amendment.

Senator Bakke said she believes so although she is not sure.

Senator Flakoll asks what it does, what is the intent?

Senator Bakke said Representative Conrad does not want their tuition to be considered impact aid so they do not have to include it in the imputed tax.

Chairman Freborg said 15.1 – 29.09 is tuition paid by the federal government.

Senator Flakoll asked if the intent is the count the students but not the money?

Senator Bakke said she is not sure how it works.

Senator Flakoll said a couple of those folks want the best of both worlds; they want to count the students but not the dollars that follow them. It would bring the overall imputation level down and would redistribute what people currently get to others.

Senator Gary Lee said is seems like they are trying to sweep the impact aid into their corner plus count the students and get ADM for it.

Senator Flakoll said that is what he meant.

Senator Bakke moved amendment 70210.0803, seconded by Senator Gary Lee.

Senator Taylor said we have analyzed it right; none of the dollars would be counted now, before we would be counting .75. Where did the .75 come from? What is the tuition paid by the federal government? What if the tuition and students were left aside?

Senator Flakoll said the .75 was a negotiated point. Some want it at 100%, some want it less. Paul Stremick talked about it, thought there were more transitional students that cost more. He asked Paul Stremick to prove it. Lots of districts have students that move in and out, he has not received data to back up the need for 75%.

Senator Bakke said she has heard that to include impact aid in the formula is unconstitutional?

Senator Flakoll said before February 5, 2006 received a letter from the Attorney General at the behest of the superintendent of public instruction, for the purposed where we are counting impact aid, what we are doing is legal and acceptable. It is important to note that this applies only to equity dollars and will not be a major factor over time. As we more towards adequacy, the federal government says once you are in a 25% belt, all of the money is appropriate to count. They felt they were well within the belt where all of it will count.

Senator Taylor asked if the Governor's Commission expects suit to be filed.

Senator Flakoll said they have not reason to believe that. There is an Attorney General's opinion on it. There is nothing to preclude it. They have ample legal standing on this issue. He distributed a copy of the letter from the Attorney General.

Senator Bakke asked what if the Attorney General's opinion is wrong.

Senator Flakoll said he is not sure that could happen. There is only one Attorney General's opinion on this specific question and the current Attorney General who made the opinion will be in office 4 more years. An Attorney General's opinion is deemed law until it is taken to court.

Senator Taylor asked how many dollars would be pulled out of the equity pool.

Senator Flakoll said he is not sure, there have been many scenarios tossed out.

Chairman Freborg said $10 million in Minot is the payment. What would be the effect in Grand Forks?

Senator Flakoll said Grand Forks under any situation would not be eligible because this only applies to equity money and the value behind the students it is a moot point in Grand Forks.

The motion failed 2 – 3.

Senator O'Connell appeared to discuss amendment 70120.0802. (Meter 72.37) He lives in the middle of the oil field and has a lot of friends in coal country. When they first started

working with the Governor's Commission they were looking at taking 100% of the coal and oil. After much discussion, the committee took it to 75%; many people thought it should be zero. As a compromise, he is proposing 25%. Fargo has tax exempted $1.3 billion in property. There is argument that doesn't bring anything into the school districts. Fargo has to up their mills because half the property is exempt. That puts the statewide average up there high that affects the district on the low end.

Senator Taylor asked the impact of the industry on the area and the dollar justification.

Senator O'Connell said there is tremendous impact. There is a tremendous influx of people and the schools have to adapt in a hurry. There is tremendous impact on roads; the equipment is hard on the roads. There is already a great amount of oil money going to the general fund.

Senator Gary Lee said Paul Stremick in testimony on 2200 compared those with oil money and those without and it was $666 dollars difference. Isn't that money out of my pocket I am giving to someone else?

Senator O'Connell said that is one thing he is trying to avoid since he got into leadership is the east west fight. There are some sacrifices the oil and coal areas make. They have a lower mill levy but valuation is completely different too. There will never be a perfect bill. There will be hard feelings if we lose it. He wishes everyone could tax exempt property and have growth.

Chairman Freborg asked how much exempt property in Fargo?

Senator O'Connell said $1.3 billion.

Chairman Freborg asked including federal and state?

Senator O'Connell said yes, all property.

Senator Flakoll asked how much is the amount of exempt property in oil country.

Senator O'Connell said most of the counties have no tax exempt property.

Senator Flakoll said he talked to someone of influence in coal country who said if they could tax the facilities, they could care less about state dollars.

Senator O'Connell said that is the feeling out there, we would be better off if we could tax the property but we don't have that authority.

Senator Bakke moved amendment 70120.0802, seconded by Senator Taylor.

Senator Flakoll said he thought there was a negotiated agreement. With respect of some of the exempt property, whether you have a new bank in Watford City or $500 million in Fargo for NDSU and $150 million for a large hospital and another $56 million for another large hospital and churches and federal courthouses, it will add up but certainly no more on a per unit basis over some of the other districts. The ethanol plant will pay some property taxes. In listening to testimony from the industry, 95% of the discussion was on issues that do not relate to education. It was more about roads. If there is need from the state for help on roads, we should be supportive of that from a state standpoint. Why should their dollar count less than someone else's dollar? He will vote against the amendment. One of the superintendents in oil country said he would love to have it count when the oil boom flattens out. These things are cyclical in nature. In testimony, when asked if sales tax dollars should be counted, a coal country representative said certainly, anything raised on behalf of schools should count towards the local effort. Why do we call it in lieu of property tax if it is not in lieu of property tax?

Senator Gary Lee it all spends the same. It has been in place for a long time. It is just that, in lieu of property tax. If roads are the problem, let's deal with that.

Senator Taylor moved to amend the amendment from 25% to 50%, seconded by Senator Flakoll.

Senator Taylor said we are trying to find some middle ground.

Chairman Freborg asked Senator Gary Lee about his thoughts about exempt property, across the state. In Bismarck there are properties that are quite old and still tax exempt.

Senator Gary Lee said it drives up property tax. In this case, in lieu of property tax, you are substituting one complete entity for another. It is a different idea than a 2 year property exemption on a new home.

Chairman Freborg said it is different but the affect on property value is not different.

Senator Gary Lee said it does drive up property tax; the theory is more people can afford the houses and will then pay the tax after they move in. It seems to work in the east and he agrees it is carried on too long and is not always necessary in many of the areas.

Senator Flakoll said there are a lot of exemptions, over $500 million in sales tax; all should be reviewed in terms of that portion of our law that is probably not a task for our committee.

The motion to amend the amendment passed 4 –0.

The motion to pass the amendment passed 3 – 2.

Senator Gary Lee moved amendment 70120.0805, seconded by Senator Flakoll. (Meter 97.02)

Senator Flakoll said it is a hard sell to say we forfeited some of our money, with $2 - $3 gas. It's hard to convince people that things are tough. The conversation seems to be about roads, the attention should be focused there rather than to affect the equity that has been established in 2200. Does anyone know the value of the property that is in lieu of?

Chairman Freborg said a few billion dollars.

The motion failed 2 – 3.

Senator Taylor introduced amendment 70120.0809 that he is carrying for Representative Conrad. The amendment would count those attending high school and whose district is paying tuition for them to get the credit for the students they are paying tuition for.

Senator Taylor moved amendment 70120.30809, seconded by Senator Bakke.

Senator Flakoll asked if they are counting the students twice?

Senator Taylor said yes. This isn't his issue. He would guess if the receiving district was not able to count the student, the K-8 district would pay higher tuition to compensate for that.

Senator Flakoll said he is troubled by counting 2200 students twice in a formula that tries to promote equity. There are other options that would do it better. They have the option of joining a high school district. There is some legislation coming forward that may allow that to happen.

Senator Gary Lee said he agrees with Senator Flakoll. There should be a better way than duplicate payments.

Senator Flakoll said he is mindful of the Stremick presentation, there is already a big improvement under the new formula, in that they will not lose about $600 because of the mill levy deduct. The Minot paper said one graded elementary district has increased valuations of 45%, this is the least of their worries.

Senator Taylor said he has some sympathy for these folks. Maybe we could consider counting the students once, where they live? It's an option.

Senator Flakoll asked if a receiving district has an option of receiving students? Can they limit the number of students they take?

Chairman Freborg said there are some reasons they can refuse a student as simple as they don't have room.

The motion failed 2 – 3.

Chairman Freborg introduced amendment 70120.0808. It takes the FTE money out of the mix, $52 million. It's a real bone of contention with him, he spent 3 – 4 days in a conference committee fighting the way we paid that money out, and everyone thought it was a great thing

to do. Here we are after we said we would give you $3000 for every teacher, you raise the salary, and we will furnish the money. Now we are saying we are going to pay it out in foundation aid. We told them to increase the salary and we would pay for it and now we take a lot of it away from some districts. That isn't right.

Senator Flakoll said when we were looking towards equity last session, we adopted Chairman Freborg's amendment in the spirit of equity took the FTE money out with amendment 303 on March 15.

Chairman Freborg said that could be.

Senator Flakoll asked what has changed, why was it a good idea then?

Chairman Freborg said because now we are shifting money around that will be devastating to some districts. These are mostly districts with fewer teachers. He is not sure they can afford another hit. The 2% guarantee sounds great. In some schools, a minute amount of decline in enrollment and their 2% is gone.

Senator Flakoll said if we had the mill deduct which was escalating at an exponential rate they would have gotten really whacked with no safety net.

They discussed the mill levy deduct. (Meter 116.05)

Senator Flakoll said there is the hold harmless provision. If we were to adopt this amendment, we lose the equity portion and in some districts that have been sorely under funded, that are equity districts, that have been waiting many years, in the case of Williston to get back the money they lost when oil boom went bust and now they are looking to rehire, how many FTEs will it take over and above $52.5 million to accomplish that.

Chairman Freborg asked if he is saying because they lost a lot of people?

Senator Flakoll said it has been well stated that when the oil boom went bust they had to get rid of teachers to make budget. So their classroom size grew. Now they are getting equity money, some want to hire some teachers back. What is the fiscal effect of this?

Chairman Freborg said if we will adopt this amendment, it will not change anything, there is a teacher shift all over the state. If they get rid of half of their teachers, they will only get half as much money and it doesn't go to another district, we just don't spend it.

Senator Flakoll said we won't see a teacher shift, we may see additional teachers. We guaranteed $3000 for every teacher.

Senator Bakke asked if Chairman Freborg is advocating going back to the $3000 per FTE for every teacher and not use the 70% of new money going to the teachers?

Chairman Freborg said it has nothing to do with the 70%.

Senator Gary Lee said if we take this out of the mix, what does it do to the formula.

Chairman Freborg said he really doesn't know, it would take about $52 million out of the equity pot. It helps some, it hurts some districts. It's a shift in dollars.

Senator Flakoll asked how many districts this will change so they aren't at the minimum?

Chairman Freborg said he doesn't know.

Senator Taylor said the $52 million, it's not from the $80 million, the new money?

Chairman Freborg said this will change very little in every district. If there are more total teachers, we are going to pay them.

Senator Flakoll said if it has such little change, why do we need it?

Chairman Freborg said if we adopt it, they will see little change, only in the number of teachers they have.

Senator Taylor said the fear, without attaching this amendment, is some districts, particularly smaller districts, would be forced to cut back contracts with teachers?

Chairman Freborg said they will take a big hit, he doesn't know what they will do to make up the difference.

Senator Flakoll said its important to point out the state average is 12.7 students per teacher. The band is not as wide as he wants people to believe. In terms of the equity situation, do the students exist for the teachers or the teachers for the students? Do we want the money to follow the students?

Chairman Freborg said Senator Flakoll sounds just like he did a few sessions ago. He was outvoted and we gave the schools the money. Now we are saying we aren't going to do it any more. That isn't right.

Senator Flakoll said he is stretching the truth so far and he knows it. That goes from zero to payment and everyone fits in the band of 2 – 7% except the equity districts.

Chairman Freborg said that is not accurate, there are some districts that will suffer that are at the far end of the average. Those that are far above, it will be Christmas for them. Fargo is one district that is going to enjoy Christmas.

Senator Flakoll asked if he would share a printout?

Chairman Freborg said he doesn't have one.

Senator Flakoll said he wants to remind everyone when you go in and cherry pick by taking out the one thing, for greedy purposes, you want for your district, you move away from equity. You can sabotage the entire equity formula through one act. As an example when we supported the amendment to take this out, that Chairman Freborg supported on March 15, 2005, amendment 303 that was coupled with tuition apportionment.

Chairman Freborg said he thinks Senator Flakoll is making an exaggerated assumption about the effect on equity.

Senator Flakoll asked how it will help?

Chairman Freborg said it won't help.

Senator Flakoll said we why should we sacrifice $52 million, those schools are going to get the protection they need, more so than last session.

Senator Bakke asked if this money would be part of the money allotted to this bill or would it be additional money to the bill?

Chairman Freborg said the money is in the bill but we will leave it like it is? If there are fewer teachers, the money would revert to the general fund.

Senator Flakoll said make no mistake, this will not put one dollar of additional money into any teacher's pocket.

Chairman Freborg said he didn't say this would give teachers more money. It would pay the same $3000 to every teacher so the district doesn't have to pay it. He is not trying to make anyone believe teachers will get more money. A district will receive more money if they have more teachers.

Senator Flakoll said that isn't true either, each district is paid $3000 per FTE, it doesn't mean the teacher gets any of it. It all depends upon negotiations, some could get $3500 and some could get $2500 in total comp.

Chairman Freborg said they certainly could. Every teacher got that $3000 several years ago and this is to continue paying that same $3000, it's now a part of their salary schedule. Some may only get $2000, this is money to pay the $3000 we gave to them several years ago.

Chairman Freborg relinquished the chair to Senator Flakoll.

Senator Freborg moved amendment 70120.0808, seconded by Senator Taylor.

The motion passed 3 – 2.

Senator Flakoll relinquished the chair to Senator Freborg.

Chairman Freborg closed the discussion of SB 2200.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: January 30, 2007

Recorder Job Number: 2335

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on SB 2200. All members were present.

Senator Taylor distributed an amendment . It is the same as the committee saw a few days ago except he made a change after talking to the chairman of the Governor's Commission and the school district that had the concern. He reviewed the amendment (meter 2:39). Data from Department of Public Instruction was not able to tell how many schools this would affect, he knows of one in his district from Anamoose. He had a handout to show what 2% is for each of these districts (attached). He thinks it would be seldom used but important in terms of these students being a real budget buster, particularly on a small school. In Anamoose, 2% is $17,000, that would be their cap on one student. When you are dealing with 80 kids in your school, numbers are not on your side. Families are mobile, we need to educate these students, $50,000 out of your budget when you have 80 kids in your school is punishing. That is the reason for the amendment. The questions we had the other day about if we will pick up the big districts at 2% - when it's on a per high cost student basis, it lays that question to rest. Senator Flakoll said he hates to pick on a school by name, do we know the overall cost of special education in Anamoose?

Senator Taylor said he does not, they used to have two high cost students now they have one, that one is $50,000 including transportation. He doesn't know the non high cost needs.

Senator Bakke said the number of students in Anamoose X $180 would be their special ed budget plus contract.

Senator Flakoll said say that again?

Senator Bakke said $180 per student is what the state portion of special ed is right now.

Senator Flakoll said he wants to know not what they receive but what are their expenditures; do they have one high cost student and no one else? Where are they as compared to the statewide average for percentage of costs for special ed?

Senator Taylor said he doesn't know. Department of Public Instruction could not provide that data for all the schools.

Senator Gary Lee said if 2% is $17,700, anything over would be paid by Department of Public Instruction?

Senator Taylor said right, its would not be a huge fiscal impact when it's done on a per high cost student basis. It's an insurance policy for small schools. It's easier for a larger population to absorb the cost.

Senator Flakoll asked if this will provide additional equity or it's a nice thing to do.

Senator Taylor said he doesn't know if it would be a plus or a minus in terms of equity.

Senator Flakoll said he doesn't argue the amount is small in the big picture. How does it play in equity? He would like it because it would be one of the few amendments we have adopted on the bill that wouldn't hurt equity.

Senator Taylor moved amendment 0806 (not an LC amendment), seconded by Senator Flakoll.

The motion passed 5 – 0.

Senator Bakke introduced amendment 70120.0814 that she received from Anita Thomas. Anita found an error in the bill that had been overlooked. Anita asked her to bring the amendment to the committee.

Senator Flakoll asked if these are technical corrections. If this was a change from the 4.5X, we might have to pull these off, just so we are aware of that.

Senator Flakoll moved amendment 70120.0814, seconded by Senator Taylor.

The motion passed 5-0.

Senator Taylor distributed an amendment to page 5, line 25 dealing with the weighting factor of a high school district of more than 800 square miles. When we first heard the bill, there was not much of an incentive on reorganization, just a loan program for districts to build a new building, In the past we have had incentives for a school district to reorganize. He felt like we were almost punishing some of our districts that reorganize and create quite a bit of land mass without adding very many students. There are some additional expenses on large districts, maybe called "frontier" school districts. 800 square miles is about 30 miles X 30 miles, some day we are going to ask how long we want a child to ride a bus.

Senator Gary Lee asked about the cost of the amendment.

Senator Taylor said he could get it.

Senator Gary Lee said in looking at some of these school districts, they are not small and isolated by location and number of students and it doesn't fix the long bus ride.

Senator Taylor said he is not looking at expansion of small and isolated. He said most of them have reorganized. We have had discussions in the past about the 200 districts in the state; a lot of use would like to have fewer districts. Do you use the carrot or do you use the stick. This would be a little carrot on the weighting factor.

Senator Flakoll said we have about 3563 students that are on the list. If we take 10% X $3000 we come up with $300 per year X 2 years is $600 X # of students is about $2.1 million prior to weighting factors based on school size. He never considered Rugby frontier like.

Senator Flakoll said how will it help equity? Would it be more proper if we would encourage the consolidation with phasing of weighting factors? We did help them the nice bump in mileage.

Chairman Freborg said the committee will take it up at the next discussion of 2200.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: January 31, 2007

Recorder Job Number: 2387, 2448

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on SB 2200. All members were present.

Senator Bakke introduced amendment 70120.0813. She said SB 2200 takes the excessive costs for special education from 2.5 to 4.5. This puts the burden for additional funds on the school district. Instead of giving them any relief on special education, they are being asked to pay more. This time the reason it was raised is now the state will guarantee they will pay the excessive amounts over 4.5. If the formula says the state will pay the excess cost at 2.5 times, the state should be paying it at 2.5 times. Her suggestion is to take it to 3. She provided additional information from Addy Schmaltz that shows taking it from 4.5 to 3.0 would be a difference of about $5 million.

Chairman Freborg said he had recommended that she get a fiscal note.

Senator Bakke said she was told they would not give her a fiscal note until the amendment is adopted, the best they could give her is the information from Addy.

Senator Bakke said her intent is to see more dollars to special education funding. This is a huge issue and could be the next lawsuit we face, it is so seriously under funded.

Chairman Freborg asked if this would cost $5 million?

Senator Bakke said that would be the difference between what is proposed in 2200 and this amendment according to Addy Schmaltz.

Chairman Freborg asked if it would be a shift in funds.

Senator Bakke said it would be new money, that would be up to appropriations.

Chairman Freborg said if we do nothing, this is up to others.

Senator Bakke said she could add an appropriation.

Chairman Freborg said it could be a line item, we will see what happens with the amendment.

Senator Taylor said special education funding as written in the bill now has a fair bit of money. Maybe the mechanics for a transfer from the Bank of North Dakota are already in the bill.

Senator Bakke moved the amendment 70120.0813, second by Senator Taylor.

Senator Flakoll said he will not support this amendment, he has an amendment in the works on the same topic that he feels more comfortable with.

Chairman Freborg said one that is more fiscally responsible? This amendment increases cost and the money comes from nowhere. Usually it's a good idea to have a recommendation where the money comes from. Otherwise it puts the responsibility on someone else to determine where the money comes from.

Senator Flakoll said he worries about the backstops through the Bank of North Dakota. When we look towards the next biennium, in a worst case scenario, we could have to provide $10 million and we haven't built in any progress for next session.

The motion failed 3-2.

Senator Flakoll introduced amendment 70120.0816. He is introducing it on behalf of Senator Krebsbach.

Senator Flakoll moved amendment 70120.0816, second by Senator Gary Lee.

Senator Flakoll said the amendment has two major changes to the bill. It deals with military bases and resolves the issues surrounding them. The money behind the students that are from military bases is not counted nor are the students it follows. It also authorizes a military installation who wishes to have their own school district to do so, upon necessary approval.

Chairman Freborg asked what the effect of the amendment is.

Senator Flakoll said the total value behind each district would be lessened by a certain amount. He doesn't know how much off the top of his head.

Senator Gary Lee asked what it does to the rest of the school districts in the mix.

Senator Flakoll said this amendment is revenue neutral to the state; there are no additional dollars in it. When one district picks up some money it is at the expense of other districts.

Senator Taylor said if you talk about Minot, 1500 students from the air base, they get $10 million federal money; we put both of those aside.

Senator Flakoll said that is correct.

Senator Taylor said Minot Air Force Base has a school district but they aren't directly educating the students. The second part of this amendment would only kick in if they have a high school?

Senator Flakoll said Minot has some facilities for elementary students on the base. This is more if they want to be a stand alone district with their own superintendent, their own high school, their own everything.

Chairman Freborg clarified their own school district?

Senator Flakoll said the current facilities on the base have been transferred over to the Minot School District. It would not be an easy thing to do. This gives them the option if they so choose.

Senator Taylor asked if under this scenario, Minot would now qualify for equity payments.

Senator Flakoll said yes, there has not been a Department of Public Instruction run on it.

Senator Taylor asked how much the equity payment would be.

Senator Flakoll said he has heard the number $400,000 which is about equivalent to $4 plus change per student.

Senator Bakke asked for an explanation of what he means by independent school district? In Grand Forks they have their own board, they have their own buildings, and they have a contract with the Grand Forks School District to provide the teachers and administration. Would that qualify them as a separate school district?

Senator Flakoll said no, they have to be stand alone, not having a variety of shared services. This expands their opportunities.

Senator Gary Lee asked if the $400,000 equity payment to Minot would reduce everyone else's equity payments.

Senator Flakoll said yes.

Senator Bakke asked if Grand Forks would get an equity payment.

Senator Flakoll said the conversations he has had indicate Grand Forks has other values behind their students without the air force base dollars so they would not qualify for equity dollars. The value that backs their students would exceed the threshold. This is always in flux because we are going on previous year's numbers, property values can change.

Senator Taylor asked if there is some offset in foundation aid for the 1500 students we would no longer be paying for.

Senator Flakoll said this is only for computing the dollars behind each student. They will still get their base foundation aid payment for those students. This impacts equity payments.

Senator Gary Lee said we are trying to provide equity for the entire system here. How does this impact that? We are pulling a segment out of the pot of students and school districts and setting it aside. How does that play towards overall equity?

Senator Flakoll said we already are only counting 50% of the tuition money, due to another amendment in this committee. With this we are saying we can't just count the money and not the students. Does it affect equity? That would be in the eyes of the beholder.

Senator Taylor asked if this discredits the attorney general's opinion.

Senator Flakoll said no, it still stands, this provides a mechanism so the opinion is no longer necessary. If you do one, you have to do the other. If you take away the money, you have to take away the students as well.

Senator Gary Lee said he would like to visit with Senator Krebsbach before voting.

Chairman Freborg asked if we need her to come to testify.

Senator Gary Lee said no, he will speak with her during the break.

Senator Flakoll withdrew his motion and Chairman Freborg recessed the meeting of the Senate Education Committee.

Chairman Freborg reconvened the meeting. All members were present.

Senator Flakoll moved amendment 70120.0816, second by Senator Gary Lee.

Senator Flakoll said the amendment would not count the students or federal aid for air base students and allow the air bases to set up shop on their own if they want to.

The motion passed 4-1-0.

Senator Flakoll introduced amendment 70120.0817. This would change the threshold for the upcoming biennium from 4.5 to 3.5, the state would pay 100% of those excess cost over and above that. The second thing it would do, during the next biennium it would decrease the threshold by .5 and then in the 2011 – 2013 biennium, it would decrease that to 2.5 times

wherein we would pay 100% of the excess cost. This builds in a graduated system where there is a long range plan for progress. We don't actually obligate the future bienniums in terms of dollars because that is illegal. In the first biennium we would change the weighting factor for special education by .004 to accomplish this. The amendment is designed to be revenue neutral, according to Jerry Coleman.

Senator Taylor said the .067 to .063, is there a dollar amount? Neutral means that it will pay the cost of going from 4.5 to 4 on the excess costs?

Senator Flakoll said that is generally correct. The amendment is changing the threshold to 3.5 in the first biennium and then decreasing by .5 in each of next two bienniums. Those dollars (.067 to .063) are the dollars necessary to accomplish that. That would move up the amount for contracts to $20.2 million up $2.7 million. Each .001 is worth about $800,000.

Senator Flakoll moved amendment 70120.0817, second by Senator Taylor.

Senator Flakoll said he doesn't know the effect on the previous Taylor amendment; this may lessen the effect of that amendment regarding the 2% of the total school district budget. In those amendments, it was a $17,000 gap, now it will be less, by about $7400.

Senator Bakke said she is not happy that there is absolutely no new money going into special education in any substantial amount. She thinks that is the next lawsuit that will hit this state.

The motion passed 5-0-0.

Senator Taylor introduced an amendment (labeled Taylor #1 and attached). He has given some thought on the small but isolated school districts, the history of that classification and considered making some significant changes but finally decided to introduce this amendment. In the bill, there is a 15 mile radius on isolated elementary schools but for some reason the distance to a high school is 20 miles and his amendment is to change the distance to a high

school to 15 miles to match the elementary. It doesn't make any sense the high school kids have to travel 5 miles further to be considered isolated.

Senator Flakoll asked who we would pick up.

Senator Taylor said he would have to look it up, there are only 8 or 10 isolated elementary there are two that are for high school. He doesn't know how many would now qualify. He thinks Wolford would be picked up. It is mostly for form and style.

Senator Taylor moved the Taylor #1 amendment, seconded by Senator Bakke.

Senator Flakoll asked if in line 7, are we talking about graded elementaries and are we talking about high school districts, or are we talking about kids being treated differently when they get to high school?

Senator Taylor said he doesn't know about the graded elementaries because he doesn't have any in his district but he would assume when it says elementaries it would pick up the graded elementaries. The example he knows of is a high school district, the student changes when they go from elementary to high school and all of a sudden he is supposed to have traveled further.

The motion passed 5-0-0.

Senator Taylor introduced amendment 70120.0807. This amendment is for a lot of the same reasons as he discussed yesterday with the amendment about 800 square mile districts with less than 800 students. We do not want reorganization to be an impediment. Rather than the approach he discussed yesterday with the weighting factor, he is proposing this amendment. It adds a subsection under imputed valuation that would give that size of a school district a cushion, rather than 150% of the taxable valuation, it would be 200%. It is less costly and would maybe satisfy one of the concerns yesterday about whether or not Rugby was a frontier.

Yesterday the amendment he discussed would have a cost of $2 million and this change would cost $391,000. It would not pick up Rugby. It picks up schools that have reorganized.

Senator Bakke asked if Rugby is the only school district off the list from yesterday, what about Killdeer?

Senator Taylor said he thinks it would affect 3 school districts, Divide, Mohall Lansford Sherwood and TGU. Mott Regent is close and Killdeer is close.

Senator Flakoll asked why McKenzie County does not qualify.

Senator Taylor said they have a healthy student population; they are not over 150% with the growth in Watford City.

Senator Gary Lee asked if the dollars would be a shift away from something else.

Senator Taylor said it would be part of the equity pool; there would be a few less dollars in the equity pool. He would recommend one change to the amendment, to insert the word "high" in line 21, page 21.

Senator Flakoll asked if this is a bussing or equity issue.

Senator Taylor said one man's equity is another man's inequity. When we look at the new formula, as much as we like about a lot of it, some of the reorganized districts thought the high valuation offset was punishing when they had done what we had encouraged them to do for several sessions. They got bigger but they did not pick up many students in the process. It is not giving away the farm but it gives them a cushion and is a promise kept on the reorganization.

Senator Gary Lee asked if he is suggesting 3 school districts will split $390,000.

Senator Taylor said currently.

Senator Flakoll said there is a fairly reasonable safe zone at 150%. In the current formula that is in law, they get tagged on the first dollar above the statewide average. He would be more

inclined to support if it was part of a reorganization plan, perhaps a 6 year blended period of time. Some of these have been established a while back.

Senator Taylor moved amendment 70120.0807 with the insertion of the word "high" in subsection 2, seconded by Senator Bakke.

Senator Flakoll said districts can no longer reorganize unless they reorganize with a high school district.

The motion failed 2-3.

Chairman Freborg closed the discussion of SB 2200.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: February 2, 2007

Recorder Job Number: 2499

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion of SB 2200. Legislative council marked up a bill in red to show the amendments passed by the committee.

Senator Flakoll went through the marked bill and reviewed the amendments.

Anita Thomas explained some of the amendments and how they were written.

Senator Flakoll moved a Do Pass As Amended and Rerefer to Appropriations on SB 2200, second by Senator Gary Lee. The motion passed 3-2-0. Senator Flakoll will carry the bill.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: February 5, 2007

Recorder Job Number: 2200

Committee Clerk Signature

Minutes:

Senator Flakoll reviewed amendment 70120.0818 which is the combined amendments to the bill. (attached)

# FISCAL NOTE

**Requested by Legislative Council**
04/24/2007

Amendment to: Engrossed SB 2200

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.*

| | 2005-2007 Biennium | | 2007-2009 Biennium | | 2009-2011 Biennium | |
|---|---|---|---|---|---|---|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| **Revenues** | $0 | $0 | $0 | $0 | $0 | $0 |
| **Expenditures** | $0 | $0 | $5,000,000 | $0 | $0 | $0 |
| **Appropriations** | $0 | $0 | $5,000,000 | $0 | $0 | $0 |

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

| 2005-2007 Biennium | | | 2007-2009 Biennium | | | 2009-2011 Biennium | | |
|---|---|---|---|---|---|---|---|---|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| $0 | $0 | $0 | $0 | $0 | $5,000,000 | $0 | $0 | $0 |

2A. **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 2200 implements the new public education funding plan recommended by the North Dakota Commission on Education Improvement.

The major funding components are included in the Department of Public Instruction's appropriations bill SB 2013, grants - State School Aid.

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.*

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 is also included in the executive budget or relates to a continuing appropriation.*

Section 50 appropriates $5 million for deferred maintenance and plant improvement grants to school districts contingent upon the state general funding balance being $30 million over the OMB estimate for the 2007-09 biennium.

| | | | |
|---|---|---|---|
| **Name:** | Jerry Coleman | **Agency:** | Public Instruction |
| **Phone Number:** | 328-4051 | **Date Prepared:** | 04/24/2007 |

# FISCAL NOTE

**Requested by Legislative Council**
03/28/2007

Amendment to: Engrossed SB 2200

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.*

| | 2005-2007 Biennium | | 2007-2009 Biennium | | 2009-2011 Biennium | |
|---|---|---|---|---|---|---|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| **Revenues** | $0 | $0 | $0 | $0 | $0 | $0 |
| **Expenditures** | $0 | $0 | $0 | $0 | $0 | $0 |
| **Appropriations** | $0 | $0 | $0 | $0 | $0 | $0 |

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

| 2005-2007 Biennium | | | 2007-2009 Biennium | | | 2009-2011 Biennium | | |
|---|---|---|---|---|---|---|---|---|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

2A. **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 2200 implements the new public education funding plan recommended by the North Dakota Commission on Education Improvement.

The major funding components are included in the Department of Public Instruction's appropriations bill SB 2013, grants - State School Aid.

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.*

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 is also included in the executive budget or relates to a continuing appropriation.*

The $2 million appropriation for education associations was moved to SB 2013.

| | | | |
|---|---|---|---|
| **Name:** | Jerry Coleman | **Agency:** | Public Instruction |
| **Phone Number:** | 328-4051 | **Date Prepared:** | 03/28/2007 |

# FISCAL NOTE

**Requested by Legislative Council**
03/16/2007

Amendment to: Engrossed SB 2200

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.*

| | 2005-2007 Biennium | | 2007-2009 Biennium | | 2009-2011 Biennium | |
|---|---|---|---|---|---|---|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| **Revenues** | $0 | $0 | $0 | $0 | $0 | $0 |
| **Expenditures** | $0 | $0 | $2,000,000 | $0 | $0 | $0 |
| **Appropriations** | $0 | $0 | $2,000,000 | $0 | $0 | $0 |

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

| 2005-2007 Biennium | | | 2007-2009 Biennium | | | 2009-2011 Biennium | | |
|---|---|---|---|---|---|---|---|---|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

2A. **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 2200 implements the new public education funding plan recommended by the North Dakota Commission on Education Improvement.

The major funding components are included in the Department of Public Instruction's appropriations bill SB 2013, grants - State School Aid.

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.*

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.*

Section 53 provides $2 million for payments to school districts that are members of eligible education associations. The funds will be distributed on a per student basis, 50 percent the first year, 50 percent the second year.

   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 is also included in the executive budget or relates to a continuing appropriation.*

Section 53 appropriates $2 million for payments to school districts that are members of education associations.

| | | | |
|---|---|---|---|
| **Name:** | Jerry Coleman | **Agency:** | Public Instruction |
| **Phone Number:** | 328-4051 | **Date Prepared:** | 03/19/2007 |

# FISCAL NOTE

**Requested by Legislative Council**
01/17/2007

**REVISION**

Bill/Resolution No.: SB 2200

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.*

| | 2005-2007 Biennium | | 2007-2009 Biennium | | 2009-2011 Biennium | |
|---|---|---|---|---|---|---|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| **Revenues** | $0 | $0 | $0 | $0 | $0 | $0 |
| **Expenditures** | $0 | $0 | $14,000,000 | $0 | $0 | $0 |
| **Appropriations** | $0 | $0 | $14,000,000 | $0 | $0 | $0 |

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

| 2005-2007 Biennium | | | 2007-2009 Biennium | | | 2009-2011 Biennium | | |
|---|---|---|---|---|---|---|---|---|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| $0 | $0 | $0 | $0 | $0 | $14,000,000 | $0 | $0 | $0 |

2A. **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 2200 implements a brand new public education funding plan recommended by the North Dakota Commission on Education Improvement.

The major funding components are included in the Department of Public Instruction's appropriations bill SB 2013.

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.*

SB 2200 appropriates funding not included in SB 2013 as follows:

Appropriates funds to the Superintendent of Public Instruction
Section 49 Educational Associations ... $2,000,000
Section 52 Deferred maintenance and plant improvements ...$10,000,000

Appropriates funds to the State Board for Career and Technical Education:
Section 50 Area Career and Technology Centers ... $1,200,000
Section 51 Career and Technical Education Programs ... $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 is also included in the executive budget or relates to a*

*continuing appropriation.*

Sections 49, 50, 51, 52 of the bill appropriate a total of $14 million.

| | | | |
|---|---|---|---|
| **Name:** | Jerry Coleman | **Agency:** | Public Instruction |
| **Phone Number:** | 328-4051 | **Date Prepared:** | 01/17/2007 |

# FISCAL NOTE

**Requested by Legislative Council**
01/12/2007

Bill/Resolution No.: SB 2200

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.*

| | 2005-2007 Biennium | | 2007-2009 Biennium | | 2009-2011 Biennium | |
|---|---|---|---|---|---|---|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| **Revenues** | $0 | $0 | $0 | $0 | $0 | $0 |
| **Expenditures** | $0 | $0 | $4,000,000 | $0 | $0 | $0 |
| **Appropriations** | $0 | $0 | $0 | $0 | $0 | $0 |

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

| 2005-2007 Biennium | | | 2007-2009 Biennium | | | 2009-2011 Biennium | | |
|---|---|---|---|---|---|---|---|---|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| $0 | $0 | $0 | $0 | $0 | $4,000,000 | $0 | $0 | $0 |

2A. **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 2200 implements a brand new public education funding plan recommended by the North Dakota Commission on Education Improvement.

The major funding components are included in the Department of Public Instruction's appropriations bill SB 2013.

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.*

SB 2200 appropriates funding not included in SB 2013 as follows:

Appropriates funds to the Superintendent of Public Instruction Section 49 Educational Associations ... $2,000,000

Appropriates funds to the State Board for Career and Technical Education:
Section 50 Area Career and Technology Centers ... $1,200,000
Section 51 Career and Technical Education Programs ... $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.*

Section 49 provides grants to school districts that are members of eligible educational associations.

Section 50 provides grants to assist in the establishment of two area career and technology centers.

Section 51 provides grants for funding cooperative delivery of career and technical education programs.

   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 is also included in the executive budget or relates to a*

*continuing appropriation.*

Sections 49, 50, 51 of the bill appropriate a total of $4 million.

| | | | |
|---|---|---|---|
| **Name:** | Jerry Coleman | **Agency:** | Public Instruction |
| **Phone Number:** | 328-4051 | **Date Prepared:** | 01/15/2007 |

Proposed amendment to Senate Bill 2200

Page 5, line 16, after program insert a semicolon

Page 5, remove lines 17 through 19

Page 5, line 20, replace "k." with "j."

Page 5, line 22, replace "l." with "k."

Page 5, line 24, replace "m." with "l.", replace 0.067 with 0.15

lost
2-3
1/24/07

Sen. Bakke 1/24/07

Date: 1/24/07
Roll Call Vote #: 1

## 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Bakke 1 Amendment

Action Taken Move Amendment

Motion Made By Sen. Bakke Seconded By Sen Taylor

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | | ✓ | Senator Taylor | ✓ | |
| Senator Flakoll | | ✓ | Senator Bakke | ✓ | |
| Senator Gary Lee | | ✓ | | | |
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Total Yes 2 No 3

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent: Δ .067 to .015

lost

70120.0806
Title.

Prepared by the Legislative Council staff for
Senator Taylor
January 19, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 36, line 1, replace "All" with "Except as provided in subsection 5, all"

Page 36, after line 3, insert:

"5. If a school district's unreimbursed costs for providing services to the special education students identified in subsection 1 exceed two percent of the district's total annual budget, the superintendent of public instruction shall reimburse the district for any amount expended in excess of two percent of the district's total annual budget."

Renumber accordingly

withdrawn 1/24/07

1/24/07 from Sen. Taylor

Date: 1/24/07
Roll Call Vote #: 1

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0806

Action Taken Move Amendment

Motion Made By Sen Taylor Seconded By Sen. Bakke

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | | | Senator Taylor | | |
| Senator Flakoll | | | Senator Bakke | | |
| Senator Gary Lee | | | | | |
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Total Yes _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

withdraw

PROPOSED AMENDMENTS TO SENATE BILL 2200

Page 31, line 10, remove "four", overstrike "and one-half" and insert immediately thereafter "three"

Page 35, line 27, replace "four and one-half" with "three"

distributed 1/24/07

Bakke 2 - 1/24/07

70120.0811
Title.

Prepared by the Legislative Council staff for
Senator Flakoll
January 22, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 20, line 20, replace "fifty-five" with "fifty"

Page 20, line 23, replace "fifty-five" with "fifty"

Page 20, line 29, replace "sixty" with "fifty-five"

Page 21, line 2, replace "sixty" with "fifty-five"

Renumber accordingly

adopted 1/24/07
5-0-0

1/24/07 SF

Date: 1/24/07
Roll Call Vote #: 3

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO. 2200**

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0811

Action Taken Move Amendment

Motion Made By Sen Flakoll Seconded By Sen Taylor

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Senator Taylor | ✓ | |
| Senator Flakoll | ✓ | | Senator Bakke | ✓ | |
| Senator Gary Lee | ✓ | | | | |
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Total Yes 5 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

70120.0803
Title.

Prepared by the Legislative Council staff for
Representative Conrad
January 17, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 15, line 1, replace "tuition" with ":

(1) Tuition"

Page 15, line 3, after "facility" insert "; or

(2) Tuition received under section 15.1-29-09"

Renumber accordingly

lost
2-3
1/24/07

Date: 1/24/07
Roll Call Vote #: 4

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0803

Action Taken Move Amendment

Motion Made By Sen. Bakke Seconded By Sen Lee

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Senator Taylor | | ✓ |
| Senator Flakoll | | ✓ | Senator Bakke | ✓ | |
| Senator Gary Lee | | ✓ | | | |
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Total Yes 2 No 3

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

lost

70120.0801
Title.

Prepared by the Legislative Council staff for
Senator Freborg
January 17, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 14, line 23, replace "seventy-five" with "fifty"

Renumber accordingly

(Never introduced
after
adopted .0802
amended to 50
instead
1/24/07)

70120.0802
Title.

Prepared by the Legislative Council staff for
Senator O'Connell
January 17, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 14, line 23, replace "seventy-five" with "~~twenty-five~~" "fifty"

Renumber accordingly

amended + adopted
1/24/07
3-2

1/24/07 - S.O.C.

Date: 1/24/07
Roll Call Vote #: 5

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.**

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0802

Action Taken Amend the amendment

Motion Made By Sen. Taylor Seconded By Sen. Flakoll

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Senator Taylor | ✓ | |
| Senator Flakoll | ✓ | | Senator Bakke | ✓ | |
| Senator Gary Lee | | ✓ | | | |
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Total Yes 4 No 1

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

amend .0802.

strike 25 replace with 50

Date: 1/24/07
Roll Call Vote #: 6

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0802

Action Taken Move amendment as amended

Motion Made By Sen. Bakke Seconded By Sen. Taylor

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Senator Taylor | ✓ | |
| Senator Flakoll | | ✓ | Senator Bakke | ✓ | |
| Senator Gary Lee | | ✓ | | | |
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Total Yes 3 No 2

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

#7

70120.0805
Title.

Prepared by the Legislative Council staff
January 22, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 14, line 23, remove "seventy-five percent of"

Renumber accordingly

Moved SL SF 2nd.

Freborg no
Flakoll yes
Lee yes

Taylor no
Bakke no

2-3

lost

1/24/07

1/24/07.



70120.0805

Sen. Lee

Date: 1/24/07
Roll Call Vote #: 1

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0805

Action Taken Move Amendment

Motion Made By Sen. Lee Seconded By Sen. Flakoll

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | | ✓ | Senator Taylor | | ✓ |
| Senator Flakoll | ✓ | | Senator Bakke | | ✓ |
| Senator Gary Lee | ✓ | | | | |
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Total Yes 2 No 3

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

lost

70120.0809
Title.

Prepared by the Legislative Council staff for #8
Representative Conrad
January 22, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 21, line 9, after the underscored boldface period insert:

"1."

Page 21, line 12, replace "1." with "a."

Page 21, line 15, replace "2." with "b." and replace "subsection 1" with "subdivision a"

Page 21, line 17, replace "3." with "c." and replace "subsection 2" with "subdivision b"

Page 21, line 19, replace "4." with "d." and replace "subsection 3" with "subdivision c"

Page 21, line 20, replace "5." with "e." and replace "subsection 4" with "subdivision d"

Page 21, after line 21, insert:

"2. For purposes of performing the calculation required by subsection 1, the superintendent of public instruction shall determine the per student imputed taxable valuation of an elementary district by using as a divisor:

a. The number of students in average daily membership in the district; plus

b. The number of students:

(1) Who are residents of the district;

(2) Who are attending high school in another district; and

(3) For whom the district is paying tuition under chapter 15.1-29."

Renumber accordingly

moved by ST SB Bad.

Freborg no Taylor yes
Flakoll no Bakke yes
Lee no

lost 2-3
1/24/07

Sen Taylor
1/24/07

Date: 1/24/07
Roll Call Vote #: 8

## 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0809

Action Taken Move Amendment

Motion Made By Sen. Taylor Seconded By Sen. Bakke

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | | ✓ | Senator Taylor | ✓ | |
| Senator Flakoll | | ✓ | Senator Bakke | ✓ | |
| Senator Gary Lee | | ✓ | | | |
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Total Yes 2 No 3

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

lost

#9

70120.0808
Title.

Prepared by the Legislative Council staff for
Senator Freborg
January 22, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 1, line 11, after the fifth comma insert "and" and remove ", 15.1-27-36,"

Page 1, line 12, remove "15.1-27-37, and 15.1-27-38"

Page 1, line 14, after the first comma insert "and" and remove ", and teacher compensation payments"

Page 44, line 23, after the third comma insert "and" and remove ", 15.1-27-36, 15.1-27-37, and 15.1-27-38"

Renumber accordingly

Moved CF 2nd. ST

Freborg yes. Taylor yes
Flakoll no Bakke yes
Lee no

3-2

adopted
3-2
1/24/07

1/24/07


CF

Date: 1/24/07
Roll Call Vote #: 9

## 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2300

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0808

Action Taken Move Amendment

Motion Made By Sen. Freborg Seconded By Sen Taylor

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Senator Taylor | ✓ | |
| Senator Flakoll | | ✓ | Senator Bakke | ✓ | |
| Senator Gary Lee | | ✓ | | | |
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Total Yes 3 No 2

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Proposed amendment to Senate Bill 2200-0806

Page 36, after line 3, insert:

"5. If a school district's unreimbursed costs for providing services to the special education students identified in subsection 1 exceed two percent of the district's total annual expenditures per high cost special education student, the superintendent of public instruction shall reimburse the district for any amount expended in excess of two percent of the district's total annual budget."

adopted
5-0
1/30/07

Senator Taylor
1/30/07

Date: 1/30/07
Roll Call Vote #: 1/10

## 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Move Do Pass

Motion Made By ST Seconded By SF

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Senator Taylor | ✓ | |
| Senator Flakoll | ✓ | | Senator Bakke | ✓ | |
| Senator Gary Lee | ✓ | | | | |
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Total Yes 5 No 0

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

70120.0814
Title.

Prepared by the Legislative Council staff

January 25, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 30, line 29, remove "A" and overstrike "student whose application is"

Page 30, overstrike line 30

Page 31, line 1, remove "3."

Page 31, line 8, remove ". The"

Page 31, line 9, remove "superintendent of public instruction shall reimburse the student's school district of residence" and overstrike "a"

Page 31, line 10, overstrike "maximum each school year of" and after "~~two~~" insert ". The superintendent of public instruction shall reimburse the student's school district of residence for those costs that exceed"

Renumber accordingly

adopted 5-0 1/30/07.

Senator Bakke
1/30/07

Date: 1/30/07
Roll Call Vote #: 2/11

## 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70126.0814

Action Taken More Amendments

Motion Made By SF Seconded By ST

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Senator Taylor | ✓ | |
| Senator Flakoll | ✓ | | Senator Bakke | ✓ | |
| Senator Gary Lee | ✓ | | | | |
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Total Yes 5 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

70120.0813
Title.

Prepared by the Legislative Council staff for
Senator Bakke
January 25, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 30, line 29, remove "A" and overstrike "student whose application is"

Page 30, overstrike line 30

Page 31, line 1, remove "3."

Page 31, line 8, remove ". The"

Page 31, line 9, remove "superintendent of public instruction shall reimburse the student's school district of residence" and overstrike "a"

Page 31, line 10, overstrike "maximum each school year of", remove "four", overstrike "and one-half" and insert immediately thereafter ". The superintendent of public instruction shall reimburse the student's school district of residence for those costs that exceed three"

Page 35, line 27, replace "four and one-half" with "three"

Renumber accordingly

lost
3-2
1/31/07

Senator Bakke 1/31/07

Date: 1/31/07
Roll Call Vote #: 1/12

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0813

Action Taken Move amendments

Motion Made By Sen. Bakke Seconded By Sen. Taylor

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | | ✓ | Senator Taylor | ✓ | |
| Senator Flakoll | | ✓ | Senator Bakke | ✓ | |
| Senator Gary Lee | | ✓ | | | |
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Total Yes 3 No 2

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

lost

70120.0816
Title.

Prepared by the Legislative Council staff for
Senator Krebsbach
January 30, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 1, line 16, after "increases" insert "; to provide for future determinations of average daily membership"

Page 14, line 19, after "5." insert "In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.

6."

Page 44, after line 21, insert:

"**SECTION 48. MILITARY INSTALLATION SCHOOL DISTRICTS - ELIGIBILITY FOR STATE AID AND EQUITY PAYMENTS.** If at any time the board of a United States military installation school district assumes responsibility for the direct provision of education to its students, the superintendent of public instruction shall include all students being educated by the board in the district's average daily membership, both for purposes of determining any state aid to which the district is entitled and for purposes of determining any equity payments to which the district is entitled under section 15.1-27-11."

Renumber accordingly

adopted
4-1-0
Sen. Flakoll
1/31/07

Date: 1/31/07
Roll Call Vote #: 3/14

## 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70130.0816

Action Taken Move Amendment

Motion Made By Sen. Flakoll Seconded By Sen. Lee

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Senator Taylor | ✓ | |
| Senator Flakoll | ✓ | | Senator Bakke | | ✓ |
| Senator Gary Lee | ✓ | | | | |
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Total Yes 4 No 1

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

70120.0817
Title.

Prepared by the Legislative Council staff for
Senator Flakoll
January 31, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 5, line 24, replace "0.067" with "0.063"

Page 30, line 29, remove "A" and overstrike "student whose application is"

Page 30, overstrike line 30

Page 31, line 1, remove "3."

Page 31, line 8, remove ". The"

Page 31, line 9, remove "superintendent of public instruction shall reimburse the student's school district of residence" and overstrike "a"

Page 31, line 10, overstrike "maximum each school year of", remove "four", and overstrike "and one-half times the state average per student"

Page 31, line 11, overstrike "elementary or high school cost, depending on the student's enrollment level"

Page 31, line 14, after "~~purpose~~" insert ". The superintendent of public instruction shall reimburse the student's school district of residence for all excess costs, as defined in section 15.1-32-18"

Page 35, line 27, replace ""Excess" with "For the 2007-09 biennium,"excess" and replace "four" with "three"

Page 35, line 29, after the underscored period insert "For the 2009-11 biennium, "excess costs" are those that exceed three times the state average cost of education per student and which are incurred by the special education students identified in subsection 1. Beginning with the 2011-13 biennium, "excess costs" are those that exceed two and one-half times the state average cost of education per student and which are incurred by the special education students identified in subsection 1."

Renumber accordingly

adopted 5-0-0
1/31/07

Senator Flakoll
1/31/07

Date: 1/31/07
Roll Call Vote #: 4/15

## 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70126.0801

Action Taken

Motion Made By Sen. Flakoll Seconded By Sen Taylor

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Senator Taylor | ✓ | |
| Senator Flakoll | ✓ | | Senator Bakke | ✓ | |
| Senator Gary Lee | ✓ | | | | |
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Total Yes 5 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Proposed amendment to Senate Bill 2200

Page 15, line 18, overstrike "twenty" and insert immediately thereafter "fifteen"

adopted 1/31/07
5-0-0
Senator Taylor #1
1/31/07

Date: 1/31/07
Roll Call Vote #: 5/16

## 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 3200

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Taylor #1

Action Taken Move Amendment

Motion Made By Sen. Taylor Seconded By Sen. Bakke

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | V | | Senator Taylor | V | |
| Senator Flakoll | V | | Senator Bakke | V | |
| Senator Gary Lee | V | | | | |
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Total Yes 5 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

70120.0807
Title.

Prepared by the Legislative Council staff for
Senator Taylor
January 22, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2200

Page 21, line 9, replace "If" with:

"1. Except as provided in subsection 2, if"

Page 21, line 12, replace "1." with "a."

Page 21, line 15, replace "2." with "b." and replace "subsection 1" with "subdivision a"

Page 21, line 17, replace "3." with "c." and replace "subsection 2" with "subdivision b"

Page 21, line 19, replace "4." with "d." and replace "subsection 3" with "subdivision c"

Page 21, line 20, replace "5." with "e." and replace "subsection 4" with "subdivision d"

Page 21, after line 21, insert:

"2. If a high school district's total land mass is in excess of eight hundred square miles [207199 hectares], and if the district's imputed taxable valuation per student is greater than two hundred percent of the state average imputed taxable valuation per student, the superintendent of public instruction shall:

a. Determine the difference between the district's imputed taxable valuation per student and two hundred percent of the state average imputed taxable valuation per student;

b. Multiply the dollar amount determined under subdivision a by the district's average daily membership;

c. Multiply the dollar amount determined under subdivision b by one hundred eighty-five mills;

d. Multiply the dollar amount determined under subdivision c by a factor of 0.75; and

e. Subtract the dollar amount determined under subdivision d from the total amount of state aid to which the district is otherwise entitled."

Renumber accordingly

lost 1/31/07
2-3
Senator Taylor
1/31/07

Date: 1/31/07
Roll Call Vote #: 6/7

## 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2366

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0801

Action Taken Move Amendment

Motion Made By Sen. Taylor Seconded By Sen. Bakke

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | | ✓ | Senator Taylor | ✓ | |
| Senator Flakoll | | ✓ | Senator Bakke | ✓ | |
| Senator Gary Lee | | ✓ | | | |
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Total Yes 2 No 3

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent: lost

with insertion of word "high" in subsection 2.

Date: 2/1/07
Roll Call Vote #: 1

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO. 2200**

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass as amended + Rerefer to Appropriations

Motion Made By Sen. Flakoll Seconded By Sen Lee

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Senator Taylor | | ✓ |
| Senator Flakoll | ✓ | | Senator Bakke | | ✓ |
| Senator Gary Lee | ✓ | | | | |
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Total Yes 3 No 2

Absent

Floor Assignment Sen. Flakoll

If the vote is on an amendment, briefly indicate intent:

## REPORT OF STANDING COMMITTEE

**SB 2200: Education Committee (Sen. Freborg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (3 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2200 was placed on the Sixth order on the calendar.

Page 1, line 11, after the fifth comma insert "and" and remove ", 15.1-27-36,"

Page 1, line 12, remove "15.1-27-37, and 15.1-27-38"

Page 1, line 14, after the first comma insert "and" and remove ", and teacher compensation payments"

Page 1, line 16, after "increases" insert "; to provide for future determinations of average daily membership"

Page 5, line 24, replace "0.067" with "0.063"

Page 14, line 19, after "5." insert "In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.

6."

Page 14, line 23, replace "seventy-five" with "fifty"

Page 15, line 18, overstrike "twenty-mile [32.2-kilometer]" and insert immediately thereafter "fifteen-mile [24.1-kilometer]"

Page 20, line 20, replace "fifty-five" with "fifty"

Page 20, line 23, replace "fifty-five" with "fifty"

Page 20, line 29, replace "sixty" with "fifty-five"

Page 21, line 2, replace "sixty" with "fifty-five"

Page 30, line 29, remove "A" and overstrike "student whose application is"

Page 30, overstrike line 30

Page 31, line 1, remove "3."

Page 31, line 8, remove ". The"

Page 31, line 9, remove "superintendent of public instruction shall reimburse the student's school district of residence" and overstrike "a"

Page 31, line 10, overstrike "maximum each school year of", remove "four", and overstrike "and one-half times the state average per student"

Page 31, line 11, overstrike "elementary or high school cost, depending on the student's enrollment level"

Page 31, line 14, after "~~purpose~~" insert ". The superintendent of public instruction shall reimburse the student's school district of residence for all excess costs, as defined in section 15.1-32-18"

Page 35, line 27, replace ""Excess" with "For the 2007-09 biennium,"excess" and replace "four" with "three"

Page 35, line 29, after the underscored period insert "For the 2009-11 biennium, "excess costs" are those that exceed three times the state average cost of education per student and which are incurred by the special education students identified in subsection 1. Beginning with the 2011-13 biennium, "excess costs" are those that exceed two and one-half times the state average cost of education per student and which are incurred by the special education students identified in subsection 1."

Page 36, line 1, replace "All" with "Except as provided in subsection 5, all"

Page 36, after line 3, insert:

"5. If a school district's unreimbursed costs for providing services to the special education students identified in subsection 1 exceed two percent of the district's total annual expenditures per high-cost special education student, the superintendent of public instruction shall reimburse the district for any amount expended in excess of two percent of the district's total annual budget."

Page 44, after line 21, insert:

"**SECTION 48. MILITARY INSTALLATION SCHOOL DISTRICTS - ELIGIBILITY FOR STATE AID AND EQUITY PAYMENTS.** If at any time the board of a United States military installation school district assumes responsibility for the direct provision of education to its students, the superintendent of public instruction shall include all students being educated by the board in the district's average daily membership, both for purposes of determining any state aid to which the district is entitled and for purposes of determining any equity payments to which the district is entitled under section 15.1-27-11."

Page 44, line 23, after the third comma insert "and" and remove ", 15.1-27-36, 15.1-27-37, and 15.1-27-38"

Renumber accordingly

2007 SENATE APPROPRIATIONS

SB 2200

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-07-07

Recorder Job Number: 3035

Committee Clerk Signature Alice Delzer

Minutes:

**Chairman Holmberg** opened the hearing on SB 2200 at 8:00 a.m. on February 7, 2007 relating to the determination of state aid to school districts.

**Senator Tim J. Flakoll, District 44, Fargo** presented written testimony (1) (FINAL DRAFT OF THE REPORT TO Governor John Hoeven and the North Dakota Interim Legislative Committee On Education Finance and the North Dakota Legislative Assembly Responding to Executive Order 2006-01) and gave oral testimony in support of the bill.

**Rep. RaeAnn Kelsch, District 34, Mandan** gave oral testimony in support of SB 2200.

**Senator Mathern** asked if she was supportive of the amendments on the bill. She responded not all of them, but this is a start in the process.

**Rep. Dave Monson, District 10, Northeastern North Dakota** presented written testimony (2) and oral testimony in support of SB 2200.

**Senator Dave O'Connell, District 6, Bottineau** gave oral testimony in support of the bill.

**Dr. Wayne Sanstead, State Superintendent of Department of Public Instruction** presented written testimony (3) and oral testimony in support of SB 2200. He expressed concerns over lawsuits over educational funding equity and educational adequacy issues that have occurred or may occur in our state.

**Senator Christmann** had questions concerning number of days of school and the impact that has on the budget. He was informed by Dr. Sanstead that there is a P16 Task force addressing those issues.

**Nancy Sand, North Dakota Education Association** (NDEA) presented written testimony (4) and gave oral testimony in support of SB 2200. She also referred to SB 2013 in her testimony.

**Senator Christmann** asked if the NDEA support the original recommendation regarding teacher payment and if we get to the end of the day and the bill stays the same, what is the position of NDEA. He was told they feel this bill has to pass.

**Senator Bowman** commended the work the committee did concerning this bill but he also expressed concerns that the superintendents in his district have concerning this bill. He asked where the fairness is in this bill. Mention was made concerning the Oil and Gas Industry and the impact of that industry concerning the revenues some districts are realizing because of the impact of the Oil and Gas Industry. He asked if the oil and gas revenues go to the local school district. He stated that with that industry comes the influx of different nationalities, thus a need for interpreters in the school, and there is an added expense for that. He stated that if he voted against the bill, he still admires the work the committee has done, it is just that this bill helps some and hurts some.

**Nancy Sand** stated she didn't know why his school administrators in his district are not supporting the bill. She mentioned the bill is probably not in it's final form yet, has a way to go.

**Jon Martinson With State School Board Association** gave oral testimony in support of SB 2200.

**Warren Larson, Superintendent of schools in Williston, ND** presented written testimony (5) and oral testimony in support of SB 2200 in it's original state. He talked about the oil and gas industry and teacher's salaries. He stated the most important thing to remember is this is a

Kid's bill. He stated he knows this bill is not perfect but feels overall it is beneficial to the greater majority of North Dakota.

**Senator Christman** questioned about equity being formula perfect. Lets assume we pass the original form of the bill and in a couple of years schools feel inequitable, what is your advice to them? Would you encourage them to sue the State? If they are unhappy, can't they go the legislature? He was informed that the committee would not encourage anyone to sue, even though the fact remains that one school district did. It still remains that this is the best bill we have. The school districts can certainly go to the legislature if they so desire.

**Senator Grindberg** had questions regarding the equity issue and the amendments that have been added to the bill. He was informed by Mr. Warren that they still want the bill to move forward.

**Senator Krauter** had questions regarding the oil and gas industry and the teacher's salaries. He also had questions regarding students at the air force bases in Minot and Grand Forks, questions regarding K – 8 students, the first step being the bill itself, we don't know about different areas of the state regarding consolidation, afraid some school districts will not get any benefit from this bill and that is a major concern. He had comments regarding the curriculum in the smaller schools and the problem the rural areas are facing concerning equity and adequacy.

.**Lt. Governor Jack Dalrymple** presented written testimony (6)SENATE BILL 2200 SUMMARY and gave oral testimony in support of SB 2200. Questions were answered concerning At Risk children, health issues, nurses in schools, Learning Labs, addressed the oil and gas industry impact, help for small schools, future law suits, and made comments regarding #1 handout.

Several Senators wanted a copy of the summary impact on different districts. They were informed that information would be provided to them.

**Chairman Holmberg** had questions regarding the dollar amount in this bill.

**Senator Christmann** asked if DPI was going to testify in support of this bill and if they have information regarding various payments for the biennium and what they would be in the bill. He expressed concern on getting that information to the committee.

**Senator Mathern** had questions regarding the fiscal note.

**Chairman Holmberg** commented that the fiscal note is dated before the bill was done. He asked Jerry to comment and asked if the fiscal note is still accurate. Jerry commented that he had not seen the fiscal note. He referred to SB 2013. It was noted that the 14 million is a deferred maintenance and Roxanne from Leg. Council is aware of the reconciliation between the bills. He also stated that he would request the reports the Senators are requesting from the Lt. Governor and DPI in writing if necessary and wants a response in writing.

The hearing on SB 2200 was closed.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-08-07

Recorder Job Number: 3176

Committee Clerk Signature

Minutes:

**Chairman Holmberg** opened the hearing on SB 2200.

**Senator Tallackson moved a do pass on SB 2200, Senator Wardner seconded. A roll call vote was taken resulting in 11 yes, 3 no, 0 absent. The motion carried and Senator Flakol will carry the bill.**

**Chairman Holmberg** closed the hearing on SB 2200.

Date:
Roll Call Vote #: 2/8/07

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken DP

Motion Made By Tallackson Seconded By Wardner

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| | | | | | |
| Senator Ray Holmberg, Chrm | ✓ | | Senator Aaron Krauter | | ✓ |
| Senator Bill Bowman, V Chrm | | ✓ | Senator Elroy N. Lindaas | ✓ | |
| Senator Tony Grindberg, V Chrm | ✓ | | Senator Tim Mathern | | ✓ |
| Senator Randel Christmann | ✓ | | Senator Larry J. Robinson | ✓ | |
| Senator Tom Fischer | ✓ | | Senator Tom Seymour | ✓ | |
| Senator Ralph L. Kilzer | ✓ | | Senator Harvey Tallackson | ✓ | |
| Senator Karen K. Krebsbach | ✓ | | | | |
| Senator Rich Wardner | ✓ | | | | |
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Total (Yes) 11 No 3

Absent 0

Floor Assignment Flakoll Edu

If the vote is on an amendment, briefly indicate intent:

## REPORT OF STANDING COMMITTEE

**SB 2200, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **DO PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2200 was placed on the Eleventh order on the calendar.

2007 HOUSE EDUCATION

SB 2200

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200**

**House Education Committee**

☐ Check here for Conference Committee

Hearing Date: **5 March 2007**

Recorder Job Number: **4348**

Committee Clerk Signature Jan Prindle

Minutes:

**Chairman Kelsch instructed the audience on how the hearing procedure would be conducted. She then opened the hearing of HB 2200.**

**Senator Tim Flakoll, District 44, and prime sponsor, introduced the bill. (Testimony Attached.)**

**Representative Rae Ann Kelsch, District 34, testified in favor of the bill. (Testimony Attached.)**

**Representative Dave Monson, District 10, testified in favor of the bill. (Testimony Attached.)**

**Representative Pam Gulleson. District 26, testified in favor of the bill.** Through the years the disparity between our schools has continued to grow. The efforts of the Education Commission in this year have been admirable and speak well for the product you have in front of you today. We are a big state, we are very diverse and our school systems reflect that. The 55 sections of this bill at some point address the challenges we have. I very much support it. Our goal is to increase equity and we need to very much start to address adequacy as well. As a member of appropriations, we will be awaiting anxiously the numbers you put into this bill so we can insert it into the budget. It would not hurt feelings at all if the number goes up. That would be a very good sign and we look forward to working with you on it.

**Senator Ray Holmberg, District 17, testified in favor of the bill.** This bill is a work in progress. It started out that every one was happy but the process in the legislature is of course it has changed. Perfection is the purview of God, it is not the purview of the Senate or the House; and, in the end, we will hopefully come up with a measure that will move equity forward and then we will spend the next two years working on that meddlesome thing called adequacy. I know you will give this a good hearing and come out with some changes that will be good.

**Senator David O'Connell, District 6, testified in favor of the bill.** Some people look at this as a perfect bill. When it went through the Senate we tinkered with it by putting amendments on it. Hopefully you will take a good look at it and decide it there are more amendments that need to be put on it. My main concern is that the Commission has more money in to it. I would still like to see that happen.

**Lieutenant Governor Jack Dalrymple, Chairman of the Commission,** presented a Summary of the Engrossed Senate Bill 2200 **(attached)**. He briefly discussed the Senates' amendments to the original bill, some of which the Commission did not support—that is noted on that particular section summary.

**Representative Hunskor:** Certainly I appreciate the role of the Committee. It was a necessary process; but in reviewing the allocation of funds to the public schools under SB 2200, I have some concerns I would like to share with you. As you well know, there are 57, about 30%, who will receive under $25,000 over the base year. If you do an average on that it comes out to about $8,500 per school. Considering the inflationary costs of operating a school, $8,500 doesn't pay too many bills. Some schools receive as little as $10,000 - $20,000 above the base; where other schools of the same size receive upwards of $2, 3, or $400,000 in different scenarios. I know those things are necessary to approach equity. My

question is this equity situation being addressed in a fair way. Is it too much of a shift too fast. Those 57 small schools need to pay their bills and offer a good education. Again, we all know equity must be address but my question is—does the drastic shift in one year put small schools in a situation where they may struggle to survive and possibly minimize educational opportunities for their students. I'm wondering if that was part of your discussion.

**Lieutenant Governor Dalrymple:** That's a very fair question. In the case of small schools you notice a number of them at a minimum guarantee but you have to compare that to their existing situation—where they have been with a decent amount of valuation backing a relatively smaller amount of students. They have actually been going backwards under the mil deduct computation. Every biennium they were actually seeing less and less money from the state. So in comparison to where they are today with the minimum guarantee, it looks relatively good. When you also see a dramatic difference between two districts you have to remember this is a one time adjustment. After we have done this it will be built into the baseline and as you go forward it will not reappear as a shift every time. There will be some minor adjustments on whether you become known to be richer or poorer, but they are going to be relatively small. We are adjusting in some cases for years and years of a district having an advantage over another district. When you see a particular district come up $2-$300,000 it may seem like a windfall to them but really what it is is compensation for the fact that they have been disadvantaged for many, many years. Overall, looking at schools that are at a minimum we feel that as PPP increase going forward many of them will come off of the minimum and out of the formula quite quickly. There are a few that are so wealthy that they may not. It will only be because they have enough tax base that they are not able to overcome that.

**Representative Hunskor:** I spent some time looking at weighting factors increasing them from 1.25 to 1.30 and worked on downward in grouping to 1.0. I also looked at the per weighted student unit. Instead of 102-103 we could come up with some small gains for the small schools; but in the process as that's run through the formula because of the high valuation some districts have and the fewer number of students, whatever was gained was lost. It seems like it is a difficult thing to tweak anything to help these very small schools and that leads to my next question. Was there any thought on the part of the Commission when seeing this scenario and the difficult position these small schools may be placed in, especially with declining enrollment, they may gain nothing. Was there any consideration to a minimum amount that no school could receive less than? We do have a lot of them.

**Lieutenant Governor Dalrymple:** The minimum guarantee of 103% it was decided should be attached to a presumed fixed enrollment. When the Commission discussed the possibility of doing something to mitigate, they were virtually unanimous. Although we have attempted to do this in past and we looked at a variety of ways to try to help with this, it is not good policy that you try to mitigate or somehow soften the reality of declining enrollment. What it amounts to is simply a postponement of a decision or resolution that has to be made at the local level. Putting it off for several years does not help the situation. In fact, it may even do some harm in encouraging people to postpone decisions that they need to make.

**Representative Hunskor:** In our small schools, talking about taxing and property, one of the problems is who is property rich and property poor. In our small schools was that a consideration? Did you look at that scenario?

**Lieutenant Governor Dalrymple:** Yes we did discuss that at length. That is an interesting issue in Bismarck they make an interesting argument that they have a lot of economic activity and a lot of responsibilities here that are involved with tax exempt properties. What we

decided as a Commission is that when we looked at equity in school funding we needed to look at actual money available to each school. School boards are really only to deal with cash that they receive either from the tax base or some other source. That is the essence and the tools they have to deal with. Within that context we felt that tax exempt property is not a factor and does not belong there. Overall, if Representative Hunskor or other members of the Committee feel that you want to do something we would be happy to sit down and talk with you about what would be the best way to approach that. There are a number of different ways we could. Some of them would go against the concept of an equitable formula and some would be very compatible with it. We would appreciate having that discussion with you or other members if you feel you want to address something.

**Wayne Sanstead, superintendent, ND Public Instruction, testified in favor of the bill.** My purpose here today is to lend the formal support of the state superintendent office and the Department of Public Instruction to SB 2200 as it was first presented to the Senate. The major reworking of ND's K-12 funding system represented by SB 2200 is long overdue. The DPI has been party to two education funding suits dating back as far as 1990 regarding serious problems with the state's 1950s school funding formula. The funding formula in the 1990s when the first lawsuit was filed was clearly a first generation foundation aid program. Now in spite of two lawsuits, the funding formula we have today is still fundamentally that same first generation formula. Throughout both lawsuits and throughout the alternative resolution process represented by the Governor's Commission on Education Improvement, the Department's firm and clear position has been that changes are needed in the foundation aid formula. At every opportunity throughout that period, members of my staff and I have supported major changes in the formula. Current school funding lawsuit depositions by our staff have noted the same issues and recommended the changes as cited by the majority of

the Supreme Court in the 1990s lawsuit. The issue of most consequence in those depositions had to do with great disparity in valuation per student at the local level and significant pools of money being outside of the formula. These issues primarily with a series of less consequential issues have pointed to a great need to upgrade our state aid formula since the first lawsuit filed in the early '90s. While the majority of the Supreme Court's justices agreed that the formula was constitutionally flawed in our state, it requires four of the five justices to declare the law unconstitutional; therefore the state aid formula was held to be constitutional although heavily flawed. The current lawsuits cited many of the same issues as the basis for the new legal action. ND is among 27 – 30 states that have now faced lawsuits over educational funding equity and educational adequacy issues. Over the last 10 – 15 years, settlements of those lawsuits across the country have focused on achieving equity, not as end product, but as a starting point for an effort to determine what educational adequacy is in a state and to secure funding for what is determined to be an adequate education. These lawsuits in most states have been severely divisive and costly which produced results but left a great deal of hostility and unresolved issues. The fact that parties to our current lawsuit were able to agree on a consensus resolution process is remarkable to say to the least. It is essentially a one-of-kind effort in this nation to settle this kind of school funding issue. It is a great tribute to the leadership of the plaintiff school districts and to our Attorney General and Governor's office that we were able to find an avenue of resolution that resulted in a consensus between the parties. Today their work is before you in the form of SB 2200 as amended by the Senate. I want to thank my fellow Commission members in working through a very difficult series of issues to reach a finely balanced compromise about what are arguably some of the most difficult issues any state faces. As a member of the Commission I want to reiterate that we fully support SB 2200 in its original form. I strongly recommend adoption of

the bill as proposed with no more than some minor fine tuning. I continue to make that recommendation because after months of work by some of the best minds in ND on these issues, the result is a compromise that best represents everyone's interest and represents a good starting point to moving on to the business of defining educational adequacy. It should not surprise members of this Committee that many people will be somewhat unhappy with some aspects of the bill. I suggest that nearly every group is unhappy with some part of the bill would suggest a compromise on many issues and it has to be viewed as a package which meets the major challenges in updating our funding formula. The most important part of the discussions that will begin today about the future of the bill have to do with providing good and clear information about what SB 2200 really does. We also need to clarify what the next steps proposed by the Commission will be as the work continues into the next biennium. Some of the major changes made to this package could upset the finally honed balance of interests that were required to reach agreement on the package as originally presented. I believe you should remove the Senate amendments that take teacher compensation out of the formula and restore the changes made to the bill to include inclusion of oil and gas revenues in payments. No general fund revenues sources should be left out. While other amendments are not as consequential, they mainly represent special interest issues. Please review all amendments carefully before sending it to the House floor. I believe this is one of the cases where the best solution may well be the one in which the key players have the greatest professional investment and the highest level of ownership. I ask that you support SB 2200 and the recommendations made by the Governor's Commission.

**Doug Johnson, executive director, ND Council of Educational Leaders, testified in favor of the bill. (Testimony Attached.)**

**Jack Maus, superintendent of the Grafton Public Schools testified in favor of the bill. (Testimony Attached.)**

**Nancy Sands, representing the North Dakota Education Association, testified in support of the bill. (Testimony Attached.)** NDEA supports the original work of the Commission that brought forth the original bill.

**Paul Stremick, superintendent of Dickinson Public Schools, testified in favor of the bill.** He stated that the amended version of the bill created winners and losers. His testimony includes slides he prepared to show the impact of the changes made by the Senate.

**Representative Mueller:** In the discussions held in the Commission meetings was there any talk of other forms of income within a school district? Basically we rely entirely on property values of the school districts to determine if they are rich or poor. Were other forms of income such as private, corporate, federal, etc. come to be part of the discussion in determining what a district's wealth is?

**Stremick:** Yes, we had lengthy discussions on that topic. First of all, we cannot calculate funds into our formula unless we are within 25% of the richest to poorest district in standing. That's not the case. Even with the proposed formula that will not happen so we cannot count federal funds. In discussion with local residents we talked a lot about that and basically decided that those local sources should not become part because then there would no incentive for me to do a good job at the local level. As an example, if we include interest and I invest the money very well at my district and receive a greater return than somebody else in another district it wouldn't matter because over the long haul it would all be equalized. Therefore we wanted to encourage districts to be prudent with their funding and also with investments. We had a lot of discussions on that and basically what you see imputed is just those 'in lieu of' property tax sources and the other one is tuition. If we count tuition, we have

to count the students. We weren't able to take the students out because the DPI did not have those numbers available to know which students were tuitioned in to Dickinson so take those off the ADM rolls. So we left the students but then we imputed the tuition dollars that came with those students. Again, it's either count them both or don't count them both. Yes, we had lengthy discussions on that topic.

**Representative Mueller:** I think you are dwelling on in school controlled kinds of outputs and inputs. What I was referencing was other issues than to do strictly with property valuations. Districts have other ways of generating income—not just schools. That component that is property tax valuation in a district; those same people generate income taxes or sales taxes and the question I ask is when you talked about the criteria by which we make all these decisions, were there any other discussions that sources other than property as a source of local funding for schools?

**Stremick:** We had some philosophical discussions on income from sales taxes and things. We want to deal with cash in hand for school districts as of right now. Income tax does come back to school districts but it is given to the state and then dispersed to everyone. It isn't that the income tax generated in Dickinson is Dickinson's pot of money. That typically doesn't happen so we tried to deal with dollars that school districts receive.

**Jon Martinson, executive director, ND School Boards Association, testified in favor of the bill.** Last fall our delegate assembly passed a resolution that supports the work of the Commission and subsequently the work of the Legislature in establishing a long-term solution for the implementation of a formula that addresses both adequacy and equity providing support and holding school districts harmless from changes in the formula for the next several Legislative processes.

**Warren Larson, superintendent of Williston Public Schools, testified in favor of the bill. (Testimony Attached.)** His testimony included changing three of the changes made by the Senate which will cause problems with the formula.

**Jim Johnson, of the Fargo School Board, testified in favor of the bill.** We are on record as supporting SB 2200. The original bill and the work of the Commission provided ND with an excellent template that not only addresses equity but provides a foundation for building towards adequacy. The concern we have in Fargo and perhaps throughout the state, is that some will now come forward and argue for their specific needs rather than focusing on the state as a whole. Amendments that chip away at the foundation created in SB 2200 create the fractures that begin to bring us back to the system we are in today. We are here to address two specific amendments that need to be readdressed on the House side of the equation. 1.) The FTE payments. While on the surface the segregation of approximately $50 million to address teacher compensation is indeed attractive and to some within our state, it would be beneficial. In the long run this approach is not only counterproductive to the goal of equity, it is perpetuating operating inefficiencies and increases the total cost that will be needed to achieve adequacy while rewarding districts like Fargo that have the building capacity and resources for large staffs and smaller class sizes. While it may be appealing to us, it is not in the best interest of the state overall. We need to allocate state resources based upon the number of students not upon the district's authority to hire staff. We support the original intent of the bill where 70% of all new money be dedicated towards teacher compensation. 2.) The amends by the Senate regarding Special Education Funding. By the way this is very favorable in overall dollars to Fargo but as with the FTE amendment, we feel the statewide perspective is what has to drive the decision and not local issues. Leave the funding formula that puts all districts on equal footing. Carving out a special section for

districts such as Fargo and others is not the best approach to public policy. Two separate groups studied and focused a great deal of time and energy on the needs of funding special education in our state and the original language of SB 2200 reflected their beliefs. It is the soundest approach to addressing both the equitable and ultimate adequacy of state support for special education students. Forcing districts to take students to receive additional funding will foster a counterproductive climate that not only accords districts that over diagnose and rewards them and potentially stigmatizes children in the name of increased funding.

**Paul Johnson, superintendent, Bismarck Public Schools, testified in favor of the bill. (Testimony Attached.)** We recommend that the Commission be authorized to continue its work over at least one more session or beyond that and make some adjustments to the formula to provide improved equity between those districts below 90% of the state average and those school districts between 100% and 150% of the state average. The gap is most noticeable and less defensible the closer a school district comes to the 150% ceiling.

**Dan Gaustad, president of the Grafton School Board, and personal plaintiff in the lawsuit, testified in favor of the bill.** I was somewhat suspect of the Commission and whether it could accomplish the tasks that we were striving for. The Commission has done wonderful work. I think Representative Kelsch said it perfectly when she said, "We had professionals that eat, sleep, and live education come together and propose what is not SB 2200." They have done wonderful work and I want to thank each and every member for their leadership in doing so. In the end what we are seeking is simply to be able to provide educational opportunities to our kids. As our superintended described the opportunities in our district are substantially below the state average. We are not able to provide those opportunities for our kids. It's upsetting to me. Lt. Gov. Dalrymple said if we don't do

something now, equity will take 52 years to achieve. Put that in perspective. I simply ask that this Committee pass 2200 as recommended by the Commission.

**Steve Swiontek, superintendent of Devils Lake Public Schools, testified in favor of the bill.** I stand in support of the original SB 2200 which came before the Senate Education Committee almost one month ago. It is the direct outcome of the work of the Commission that worked almost one year to produce the report that provides recommendations on how to improve the current system of delivery and financing public education by addressing the equitable distribution of state educational funds. The Commission did an outstanding job. Thus far they have provided the solution to one-half of the big puzzle of K-12 funding—equity. The Commission needs to continue its work to provide the other half of the puzzle—adequacy. If we take pieces out of the equity half of the puzzle we may never completely solve the entire puzzle. It is my hope that you will attempt most, if not all of the Commission's recommendations found in this bill's original form and then give SB 2200 a do pass.

**Kathy Mauch, school board member, Apple Creek School Teacher, testified in favor of the bill (Testimony Attached.)**

**Sandy Clarke, ND Farm Bureau, testified in favor of the bill. (Testimony Attached.)**

**Al Lieberspock, superintendent of Beulah School District, testified in favor of the bill. (Testimony Attached.)**

**Opposition:**

**Brent Johnston, superintendent of the Bowbells Public School, testified in opposition to the bill. (Testimony Attached.)**

**Representative Hunskor:** If this were to play out would that cause you to have to minimize change your curriculum or number of teachers? What effect would that have on your school?

**Johnston:** It already has. I had to cut $100,000 out of the budget I would have to eliminate 2.6 FTE. I'm trying not to eliminate programs. I have combined as many classes as I possibly can. With no help, we will have to close. We will have to transport our kids further.

**Representative Hanson:** How many mills do you levy?

**Johnston:** 156. When we cut the $100,000 we were at 171. You guys are looking at just the general amounts. You are not looking at the total tax burden you are putting on to our people. Two years ago our gym roof was going to be combined. We passed a tax to generate $300,000 to fix it. That cost about 15 mils. I don't think you can just look at the general mils generated in our local communities to fun schools. You should look at all the mils.

**Representative Hanson:** What are total mills right now?

**Johnston: 177.**

**Representative Karls:** What is your student count?

**Johnston:** 66

**Chairman Kelsch:** What is your ending fund balance?

**Johnston:** Last year it was $460,000.

**Nancy Wisness, superintendent of the Grenora Public School District #99, testified in opposition to bill. (Testimony Attached.)**

**Roger Slosky, Minot School Board Member:** In reality we support the bill but we take exception particularly to the point of federal impact aid. Minot took the money as tuition several years ago because it was a benefit. We can go back to that. We could make legal issue of it. I think they made a real attempt to equity and there is always an exception and our situation under federal impact is an exception. We have about 6000 students. North of Minot is the Turtle Mountain Indian School. They receive total money from federal money. How much of that is being deducted under the formula—none. Because the law says they can't

take it. We receive some of our money from Grand Forks Air Base; however, since we receive it as tuition the state believes they can take it. They spend more money per student to educate their students. We can't spend as much. I'll use an example of Fargo and Minot. Not that Fargo should get less, just an example of fairness. Under the formula they will receive closer to a 15% increase over two years. Minot will receive about 10%. That's a 50% difference. Where we go with equity is important. You have no easy road ahead of you to make these final decisions. It will come down to decisions being made and maybe rushed at the end. Equity is fairness and if this is for students, we have 6.5% of those students and we want to treat them as fairly as we can.

**Chairman Kelsch:** Do you support the amendment that Senator Kresbach brought that were adopted onto the bill--the MAFB—it does not impute the federal dollars from the Air Force.

**Slosky:** That also takes students out.

**Chairman Kelsch:** You can't receive it twice. That's not equity either.

**Richard Ray, elementary principal at Manville:** I'm really not opposed to bill but I don't know if the point has been made clearly enough that for the K-8 schools the children that are going to high school are being counted in the wrong district. It misrepresents the taxable value behind each student. In our case that means you are not eligible for the equity payment when we would be if our high school kids were included in the ADM numbers. If we are going to look at equity and fairness then the school district that is responsible for the bills should receive the credit for it.

**Kelly Taylor, superintendent of the Mohall Langford Sherwood:** We are a school district that reflects many of the areas in the bill. We have high valuation, we have oil, and we have declining student enrollments. To address those issues, we reorganized. During the reorganization we were told to run our district at 140 mils. The whole idea was to maintain a

fair and progressive school system with a tax base. By reorganizing our taxable valuation skyrocket and our student declined. We will never be able to address that issue. I am not opposed to the bill, but I am concerned about the section about high valuation. We do not control what tax exempt land is being proposed by other communities but what they do does affect our level. If all the land were figured in, that tax level would increase and have a direct impact on us and show a true reflection of what would be a state average.

**Jason Kerston, superintendent of Bottineau and Newberg United Public Schools, testified against the bill. (Testimony Attached.)**

**Dave Lestoff, (?) superintendent of Glenburne, testified in opposition.** We are one of the 2% schools and we stand to gain $19,085 in new money. That would be about $52 per weighted pupil unit. Our value per student in our district is $20,488, a little above the average. Our per pupil cost is $7181 which is a little below the state average. Our average teacher's pay is $32,900 which is below the state average also. When we take 70% of this new money out to put into classroom that comes to about $13,000. We have 25 FTE teachers so that's going to be a little over $500 per teacher and we have another 20 employees and have about $6,000 left to split among those 20 employees. Every school district is unique. We have a budget of about $2.4 million. In the last two years our military aid dropped $130,000, we lost $95,000 a year in tuition from the Lansford district when they united with Mohall and Sherwood. Last year we deficit spent $91,000 and this year we are going to deficit spend $105,000. $19,000 isn't going to cut it for us. For a 2% school it's going to be very difficult.

**Carlotta McCleary, executive director, ND Federation of Families for Children's Mental Health, testified mostly in support of the bill.** We do have some serious issues with the bill. In 2001 the IDEA Advisory Committee approved a position statement on a unified system of education. (She read the position statement.) We support increase in special education

funding. Our concerns are: Studies show that 1 of 5 children and adolescents have a mental health disorder. At least 1 of 10 have a serious mental disturbance. The estimate of ND count of children with serious emotional disturbances is 15,770 youths. According to the DPI there is a significant increase in children qualifying for special education programs. The number of children enrolled in special programs more than doubled between 1993 and 2004. The children and family must receive the support necessary to remain with their families.

**Wayne Stanley, superintendent of Stanley Schools, testified in opposition to the bill.** As a district we do oppose this bill. The biggest thing I have a problem with personally is the lack of data that you have as a House Committee. Your are working with two year old data giving us information that is two years old and not to the point. Lt. Gov. Dalrymple made comment to the fact that there are two to three districts that will receive equity payments that are below $185 mils. Based on two year old data there are actually 17 of the 40 equity payment districts. Forty-three percent of those districts getting equity payments are not at 185. They are not fulfilling their obligation to tax as much locally as possible. So when you make these decisions you must make them on the most current data. It does take time to get these things together but we are in the twentieth century and we should be in the twenty first in order to act. Right now those 17 districts will receive 5.8% of the $80. million to be given out. We are at the max 185 mils, with declining enrollment numbers; I'm looking at 2%. Looking at all the scenarios I'm looking at a possible $70,000 increase to a negative $15,000 based on the fact where the money is being distributed.

**There being no further testimony, Chairman Kelsch closed the hearing of SB 2200.**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200**

**House Education Committee**

☐ Check here for Conference Committee

Hearing Date: **5 March 2007 (afternoon)**

Recorder Job Number: **4364**

Committee Clerk Signature Jan Prindle

Minutes:

**Chairman Kelsch:** My thought on this is that tomorrow afternoon we will do a section by section overview taking the sections off the table that we are in agreement with. I have some personal preference amendments that I have drafted that could be starting point if we are in agreement on a lot of the sections as we go through it.

**Representative Hanson:** Do you have amendments that take the Senate amendments all out?

**Chairman Kelsch:** Except for the Minot Air Force Base amendment and the amendment that dealt with the transportation going from 20 to 15 miles and the oil and gas income back to 75% and put the compensation tables back in and they also take out the special education contract and put it back to the way the bill was originally. When Senator Flakoll put that amendment on I think he thought it was going to have a different effect than it did have. It was an amendment that was put on at the eleventh hour and he didn't really see what the effect was.

**Representative Herbel:** One of the administrators from Western ND oil country suggests that we put that back to 100%, so would it be possible that we could amend the amendment to do that?

**Chairman Kelsch:** We can do that.

**Representative Haas:** It should be at 100%. Even after the conference committee. Technically if we are going right it should be there. I can say that. I come from oil country and it's defensible to leave it at 100%.

**Representative Mueller:** Do the amendments you have prepared deal with changing the Senate's version of 150 mils? I think the Commission thought that was okay.

**Chairman Kelsch:** The Commission liked it the way the bill was originally introduced but we did say that was probably okay to go to that level. My amendment deals with the three major changes in the Senate bill and then I have studies regarding adequacy, the high school curriculum, the English Language Learners, and the reauthorization of the NCLB act. That reauthorization will probably be done some time over the next few months. Also looking at the after school programs, I'm concerned about those programs if federal dollars go away. That's $4.85 million to keep the current programs running and if you develop a new program, what kind of cost it will be to the state. We need to look at how they are spending the money.

**Representative Hanson:** We have the Minot Air Force Base; don't we have to deal with Grand Forks?

**Chairman Kelsch:** We call it Minot, but Grand Forks will fall in to it. It does impact Grand Forks but it is more Minot.

**Representative Mueller:** That issue is a bit foggy for me. I understand the bill takes out the funding, the tuition, but it also takes away the student count. I've been lead to believe that then puts Minot into the equity pool. Is that how it works? Are they going to get more equity money doing it that way or less?

**Chairman Kelsch:** They would be in the equity pool at a lower level. Yes. We don't count the tuition and we don't count the kids. They get more equity money doing it that way.

**Representative Hunskor:** I just would ask that the Committee would consider some of the thinking that I had this morning. We heard over and over and over that it is all about the kids. I agree 100%. It is about the kids. I agree with what the bill says, but it's too much too fast. The smaller school that gets $500 - $5000 in that category with declining enrollment is going to lose. They will go downhill. If 2032 passes, will there be a limit of how much they can raise their mils? Is it 5%? I understand that these small schools have a low mil rate. If they are limited in how much they can raise it, then how do they coup enough money to keep the plant going and educate their kids without cutting staff and curriculum and whatever else? It seems like we have to give those little schools something to tread through the next year or two. Representative Mueller and I have an amendment to at least give them "x" dollars so they can tread water until everything plays out. It seems like fairness. I say to some of those bigger school superintendents here today, if you were in one of those little schools would you think this way or would you say lets just leave it the way it is.

**Representative Herbel:** Most of the schools that we are looking at here though were running between 147 and 157 mils. They really have some way to go to take care of some of those problems and chose not to do it.

**Representative Hunskor:** So we can look back and say why didn't you get this taken care of, but the point is that right now if SB 2200 goes through we have kids out there that deserve a good education. Why would we restrict funds so they can't get it? Maybe their administration made some mistakes in not bringing it up, but those kids are going to struggle.

**Representative Herbel:** What 2200 is really trying to address is equity. If you are going to have equity, you can't be giving something to somebody for nothing without distorting the equity issue. That's where the problem arises. It's the same thing with oil and minerals revenue.

**Representative Hunskor:** If that's the way it is are we going to say it's totally equity, it's a dramatic change all at once, and you little schools are just going to have to suffer. I can't think that way. I have to say we have to do some little thing for them to help them tread water knowing what they have to do in a period of time. It's too much too fast.

**Chairman Kelsch:** I would encourage you to go and meet with the Lt. Governor. I think he made that offer to you today. I would highly recommend that you visit with him. A lot of the issues that were raised today were talked about. We deliberated long and hard to try to address these issues and to do what we thought was best for the majority of students in the state of North Dakota. Unfortunately when you look at a funding formula you cannot get it to be 100% for everybody, but you can get it to be 90% for everybody. If you look at the school districts that are affected, you will find it's a very small percentage of the overall students in the state of ND. That's not to say we can't work on it and try to improve it.

**Representative Mueller:** It is a good piece of work and the Commission should be highly commended for what they did. I do have to agree with Representative Hunskor. The potential amendments you may look at will probably exclude schools that have less than 30 students and exclude schools that have currently been getting zero state payments. We did something for them that would be just a flat amount—there are some qualifiers to that.

**Representative Herbel:** In doing so, are we perpetuating what should be the inevitable?

**Chairman Kelsch:** That's going to have to be the question we ask ourselves as we look at any potential amendments.

**Representative Herbel:** We had a school in here testifying against the bill that had the opportunity to go into consolidation and even started it with several other schools and then chose not to do it. It would probably have worked out better in the long run. They don't sit that far away from the other schools either.

**Representative Mueller:** I do think we have to stay with the intent of the equity issue. That's the job we're required to get done. There are parts and pieces of that we can adjust a little bit. I think those schools that we're speaking about—they got the message. They are seeing the writing on the wall. Are they going to resist that? Certainly they are. Let's give them a few years and a few dollars to get from here to there and make some hard decisions in the process. I have to be in favor of that.

**Representative Hunskor:** We're not questioning the equity in any way, shape or form. It's right, it's the way to go and it's got to be done. I ask in return, can you see the pickle this creates for some of the small schools, partly from their own fault, and can we help through that little bit of time.

**Representative Herbel:** That's a good argument and we see the same thing behind the enrollment problems, in cross border schools when one school gives up 30 students and doesn't get any back. Can we fix all of those and still have the equity that we need.

**Chairman Kelsch:** That's going to be the question that we are all going to have to ask ourselves—can we fix all these little things without going back to a formula that is inequitable? That's why we looked at these issues and looked at these issues. The bottom line was that by taking each one of these little facets or each weakness as people identified them and picked them out of the formula before you know it we're back to a formula that's much like the current one we have or worse.

**Representative Hunskor:** We are going to get at full equity in a very short period of time. That's where it has to go. But why do we want to put these little schools for this year or two in to the predicament they'll be in and they agree too that we have to get there. It's just so much so quick. Can't we be a little bit tolerant for a year or two and get to the goal we're going to get there. We'll get there and it will be right, but why make them suffer for that year or two.

Possibly we could make it so their kids are getting out of education what they should. I don't see that. It takes a little bit of money from those who come into this equity thing and do pretty good. I'm happy for them but would a little bit trimmed off for a year or two is it worth that to help these little schools get through.

**Chairman Kelsch:** We will come in tomorrow afternoon and I want you to be prepared for discussion. I want to know what direction the Committee wants to go as far as the amendments that were put on in the Senate and any other studies or things that you like. I'll pass out these amendments and you can doctor them up and do whatever you want with them. Let's have good open discussion on the legislation and how we move it forward. It needs to be out of Committee next Tuesday. We'll try to come up with the best bill we possibly can. The amendments have to be in no later than Monday for the afternoon work session. With that we will adjourn until 9:00 tomorrow morning.

**Discussion closed.**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200**

**House Education Committee**

☐ Check here for Conference Committee

Hearing Date: **6 March 2007**

Recorder Job Number: **4492**

Committee Clerk Signature Jan Lindlee

Minutes:

Lieutenant Governor **Jack Dalrymple**, **Jerry Coleman** and **Tom Decker** of DPI, attended the meeting to provide information.

**Chairman Kelsh opened discussion of SB 2200.** We will go through this bill section by section using the summary sheet.

Section 1: The words "weighted average daily membership" was added.

**Representative Karls:** I have a question on that. Weighted average daily membership—that means that they are funded based on how many students are in the class?

**Chairman Kelsch:** It's not the number of students but the "weighted" number of students. In some cases the number 1.0 and in some cases it is as high 1.18 depending on the classification.

**Representative Karls**: When I had the Page for the Day program, I could not get kids from Bismarck School District to come and miss a day of school. Is that why some have that policy?

**Chairman Kelsch:** I think most schools look at that as a reward to the students to keep them in school. I know that some school districts have a problem with kids, and I'm not sure why, coming up to the capitol and being the Page for the Day.

**Representative Haas:** The ADM weighting is not dependent upon the school size. It is based on those factors on page 5 in Section 7.

**Chairman Kelsch:** That's correct. So everyone is okay with Section 1.

Section 2: Deletes obsolete language that was used to describe Joint Powers Agreements.

Section 3: At-risk kindergarten authorization. The payments are determined by multiplying the percentage of students qualifying for free and reduced lunch in grades 1-6 times the number of regular kindergarten students. School districts have the authority to run the program as they choose. The basis for this was that we felt that those students the highest most vulnerable kids and it would be a good starting place.

**Lieutenant Governor Dalrymple:** I would just mention that the Senate has passed full day kindergarten support in SB 2013 which is in House Appropriations. When this bill gets to Appropriations, I guess they will resolve all of that with 2013; but this Committee may want to weigh in about how we feel about supporting full-day Kindergarten. It would be an additional $2.0 million according to the fiscal note.

**Chairman Kelsch:** Is it for the full two years or is the fiscal note just for the second year of the biennium.

**Coleman:** It was for the language in what was in 2240. So they had to take a look at those districts that were currently operating the full 5.5 hours this year. It depends on how things shake out, but that fiscal note could be understated. The rule of thumb is if we fund that program and 50% of the kids are taking full-day kindergarten that would be $10.0 million that would be 5.0 per year; $3.0 million would be at the at-risk program and that leaves $2.0 million to implement it in the second year.

**Chairman Kelsch:** Do we need to put an amendment in this bill then? What the Senate did in 2013 is start up the program and is a policy statement. We need to put an amendment here

(2200) or there (2013) that says it begins the second year of the biennium. We anticipated the at-risk Kindergarten would start right away.

**Lieutenant Governor Dalrymple:** It seems we could do either. Clearly if you are funding full-day Kindergarten we don't need to also fund at-risk children as they are included among all Kindergarteners. There is one other twist you have to consider in the way 2200 works is you pick up the prior year's closing enrollment; obviously if you are instituting a whole new program like full-day Kindergarten that will have to have an exception. They will have to allow the count in the fall for this new program. From a financial standpoint it is much more comfortable if you initiate it in the second year. It also gives all the schools an opportunity to prepare with classroom space and teachers.

**Representative Haas:** The bill says beginning July 1, 2008 a school district may operate a kindergarten program for at-risk students.

**Lieutenant Governor Dalrymple:** That's at-risk; we are discussing full-day.

**Chairman Kelsch:** It looks like what they did was Sen Bakke's bill and just put it on to 2013. So if I'm hearing correctly there is $2.0 for 1013.

**Coleman:** The thinking was they had $3.0 for at risk and they added $2.0 and were to work out the details in 2200.

**Lieutenant Governor Dalrymple:** Which is easily done; full day kindergarten would become a 1.0 ADM.

**Coleman:** There's a variety of ways that can happen. We can consider kindergarten a full day and a lot of school districts out there will offer substantially less than that—between .5 and full. There needs to be a decision on whether you want it to apply only to those that were offering the full day program then everyone else would be a .5 or you could proportion the payment by what they offering. There is a lot of flexibility in this.

**Lieutenant Governor Dalrymple:** There are quite a few policy questions there. There are a number of choices there.

**Representative Mueller:** Further clouding the issue, I'm not sure why we are using grades 1-6 to determine our level of free and reduced which is the trigger to getting involved in the kindergarten program. Why are we not using it at that level (kindergarten) because it messes up the calculation because you are not necessarily basing your qualifications on the group that qualifying. You are basing it on a group that's someplace between 1 and 6 grade.

**Lieutenant Governor Dalrymple:** The Commission discussed that exact question and the problem would be entering kindergartners is first you don't know how many are going to show up. Second, you haven't administered any test yet or any calculations in terms on if they are going to qualify for free and reduced lunch. There is also sometimes a stigma that filing the application right in the fall. It seems that it's really by first grade that begin to get a good count of the number of kids that are going to be receiving benefits. Within a school district, the percentage qualifying from year to year is quite consistent. Clearly, some school districts are much, much higher than others; but within the district grades 1-6 are very good an indicator of what the percentage is apt to be in kindergarten.

**Representative Haas:** Wouldn't it be possible to use that percentage rate in the fall and then make an adjustment in the spring. We do that in other areas.

**Lieutenant Governor Dalrymple:** You could. Part of the comment was that possibly now students do get identified in kindergarten and it's ultimately by first grade they really got the list of who qualified. This is just a payment method. You can run the program any way you want. If some at-risk kids don't come, that doesn't affect your payments.

**Coleman:** Currently the DPI has no reliable numbers on just specifically 1 – 6, what we use for projections is what we get from our school districts. We can collect that through our

individual student data collection, but we don't think that number is reliable. If funding is to go out that way, they would just have to be made reliable.

**Representative Mueller:** So really this kindergarten mechanism really doesn't have anything to do with low income kids then? It might not have anything to do with that target group? We've determined a number based on 1 through 6 but it really doesn't say anything about the qualifications or the lack thereof of that kindergarten kid coming in.

**Lieutenant Governor Dalrymple:** The free and reduced lunch is basically an income related qualification so it is the low income parents that qualify for that program. We asked the same question, are these kids that are truly at risk academically? The statistics are very strong that the children in this low income group are very highly correlated with kids that are entering kindergarten below grade level. It is a good measure, it's not perfect; but generally speaking across the country for this type of program this is the statistic that they do use.

**Chairman Kelsch:** We'll come back to Section 3.

Section 4: This changes the state aid distribution for home schooled children to only those hours that a child actually attends a public school.

**Representative Hanson:** Based on a percentage?

**Chairman Kelsch:** It's roughly based on percentage.

**Lieutenant Governor Dalrymple:** It's really not a change in anything we are doing today but it provides clarification. It prorates it to an ADM equivalent. We do that already but it's not exactly clear in statute.

**Representative Hanson:** Is that going to be based on a 6-period?, 8-period day? That's going to vary from school to school.

**Coleman:** The weight will be based on hours prorated by days.

Section 5: This is a technical amendment. Why did we change the determination to estimate? It's just a technical correction.

**Coleman:** We based it on what they got last year and review their specific situation.

**Chairman Kelsch:** It was sort of a legal thing.

**Lieutenant Governor Dalrymple:** It's not a final determination, it's a preliminary estimate and then if corrections need to be made, we can do that.

Section 6: Deletes the September 10 fall enrollment reports from the list of required reports that must be filed for districts to receive state funding. It leaves the June 30 report as the basis for state payments.

**Decker:** We need that fall enrollment report for other reasons than payments. It is part of the accreditation process and a number of other areas. We do need to retain that.

**Chairman Kelsch:** Wasn't that deleted from the beginning.

**Decker:** It's been there for a while. We just haven't had the opportunity to deal with it. We changed our basis for financial reasons to the spring ADM, but the fall enrollment is still used for a number of other things in the Department, including accreditation.

**Chairman Kelsch:** We can't just lift the language of this overstrike . . . maybe we can. We'll look at this one.

**Representative Haas:** Yes, why couldn't we. It fits with October payment schedule.

Section 7: Sets up the weighted ADM. On page 5, line 24; I truly believe that number needs to go back to .067.

**Representative Herbel:** What kind of dollars does that involve?

**Chairman Kelsch:** It's about $2.6 million that is shifted from the ADM to Contract. I think we may be wise to go back to what we originally had. What happened was that I think that Senator Flakoll, and I wasn't there when he proposed the amendment, thought that more

money should go to the Contract side and he thought that by lowering the multiplier that it would help with the contract side. I just don't think he realized that it was going to have such a dramatic shift of money. I think school districts felt they needed it more on the ADM side than on the Contract side.

**Representative Haas:** Doesn't the new language on excess cost pretty much take care of that?

**Chairman Kelsch:** That will take care of the Contract side.

**Coleman:** When they decreased this factor to .063, the multiplier went down to 3.5. Those two work together.

**Representative Mueller:** If I understand this correctly it affects every student in that school and that's always how we have done business in this regard?

**Lieutenant Governor Dalrymple:** We have taken the amount of money that you have spent historically in the special ed ADM distribution area and we added the new $6.0 million recommended by the Governor's budget and then converted that to a factor that produces exactly that amount of money. The factor is a new way of distributing it. The amount is based on $4.0 plus $6.0 million.

**Representative Mueller:** Scenario. You have 500 kids and you have one special ed kid in that school, probably unlikely but let's scenario, every kid of that 500 member school is going to get that .067 for one student. Is that how this works?

**Coleman:** The reason they did that and not just identify the special ed students because they didn't want to encourage over identification of special ed students. The analysis we did is the percentage of special ed students to the general population holds up very well.

**Representative Haas:** As long as you take out the high cost students. We have not always received ADM payments for special ed students. At one time it was based on the

category of special ed students and then that switch was made. I don't know when that switch was made but it's been quite a while.

**Chairman Kelsch:** It was in the 97 session or earlier.

**Representative Mueller:** What we are doing is having money follow students that you could say they don't qualify for. I don't know of a better way to do that. There may be a school with only a couple of special ed students and they all get the factor.

**Representative Haas:** The reason the change was made was to prevent over identification of special ed categories. All were funded at different levels depending on the severity of the handicap so there was a tendency for school districts to identify kids in the higher funded categories and over identify students. We've been getting money on an ADM payment for special ed for a long, long time. It did help in discouraging schools from over identifying special ed kids—that's the rationale.

**Representative Mueller:** Do you have to have any special ed kid in your school to qualify.

**Representative Haas:** You get this if you have none.

**Lieutenant Governor Dalrymple:** If you take out the high cost kids, the statistics show there will be so many that have special needs. Statistically it is very reliable.

**Chairman Kelsch:** Remember that special needs are not just handicapped kids.

**Representative Mueller:** It's fine. Let's move on.

**Representative Herbel:** So we'll make that change to .067?

**Chairman Kelsch:** That's right. As we put this back to the way the Commission submitted it that means $6.0 million on the ADM side and $2.0 on the Contract side.

Section 8: This is the establishment of the single school size weighting factor for every school district in the state ranging from 1.00 for the largest schools to 1.25 for the smaller schools. Each district's weighted students units equal their weighted average ADM times the school

size weighting factor. This section was worked and reworked many times to get to factors that made sense.

Section 9: This will be determined once we actually get our fingers on the pulse. The PPP remains fluid and will probably change as we put our amendments on the bill.

Section 10: This is the baseline funding for the weighted student unit. This sets up minimum and maximum payments. School districts would receive no less than 2% the first year of the biennium and no less than 3% the second year of the biennium and a maximum of 7% with the exception of the equity payments.

**Representative Wall:** This hold harmless would be the same no matter the enrollment? It would still be the same?

**Chairman Kelsch:** It is 2% and 3% and does not take into account enrollment.

**Representative Haas:** It's 2% and 3% in per student payment, not in total dollars.

**Coleman:** Actually the way the formula is working during the first year, they do look at the first year enrollment and then it goes to the base line. So no district will get less than they got the previous year in dollars. Then they will have a base line established on per student. So in the second year it will be 102% of that base line per student. So the first year they are protected but after that their declining enrollment will matter.

**Representative Hunskor:** Is there any way of knowing what happens in year 3, 4, and 5 if this formula is used. Is there any way to know?

**Chairman Kelsch:** There are a couple of ways you can look at this. Typically we don't tie the hands of future legislative sessions, but we could come back in two years and we could do a couple of things. We can proceed with this hold harmless. My guess is that if we are going to go true equity, I'm not sure we would continue the hold harmless.

**Representative Haas:** It would also depend on the 2% or 3% might be a mute point depending on how much money the Legislature appropriates.

**Chairman Kelsch:** As we look at adequacy, if we have a bunch of money to dump in for adequacy it may not make a difference.

**Lieutenant Governor Dalrymple:** The other part that a lot of superintendents forget is that as enrollment declines, the state saves money from one biennium to the next. Those dollars that are saved are always returned back into the per student payment. You get new money, but you also recover that money saved by declining enrollment. If your decline is equal to the state average, the first thing that happens in the following biennium is you get that money back in the form of an increase in the per student payment. The only time you get into trouble is when your enrollment is declining faster that the state average.

Section 11 & 12: Clarifies the section on unaccredited schools. It removes the school size weighting factor in the first year of no accreditation and access a $200 per student penalty each year thereafter.

**Representative Haas:** That essentially says you cannot afford to be unaccredited.

Section 13: Deletes all old language regarding special ed ADM payments.

Section 14: Deletes all old language of supplement payments. Division 1: page 14, line 28 and 29—the imputed tax evaluation of the districts imputed taxable valuation was changed to 50%.

**Representative Haas:** We discussed this earlier this morning and I think we should amend this to 100%. If the formula is valid we shouldn't mess around with the formula and 100% is valid.

**Representative Herbel:** I agree. Even superintendents in the districts where they have oil and mineral think that is the right thing to do so I think that speaks well of making this change.

**Representative Mueller:** One superintendent spoke "in lieu of taxes" and how does that play with this whole thing. Beulah.

**Representative Haas:** That was so bogus that I cannot believe that he would even come with that argument. I come from oil country and I've had many discussions with the school people in my area. When you really explain how the imputed taxable value formula works they agree that 100% is the fair and right thing to do. There was a lot of misunderstanding of that at the beginning of this and they thought the state was going to take all of the county oil and gas revenues and coal revenues and bring it into the state and redistribute that money to all school districts. That does not happen. The money still flows to the school district as it always has and it will continue to do so. The reason the 100% is important is because if you're raising $100.0 in oil revenues, it is in lieu of taxes and therefore you have to say what amount of taxable value at your current mil rate it would take to raise the same amount of money. That's all the formula does. You divide the revenue by the mil rate and it gives you a theoretical taxable value, you add that to your other taxable value, divide it by you students and you've got an imputed taxable value per pupil. That's all it does. It does not take one dollar of that money away from the locals.

**Chairman Kelsch:** That was the thing that Lieberspock (Beulah) could not get yesterday. He kept saying we were taking the money away from him and the money was just going to go away. That was not the truth.

**Representative Solberg:** In regard to the imputed taxable valuation there seems to be varying opinions as to the 25%, 75% and now 100%. The people in my district want it to stay at 50% and they say if it goes to 75% and especially if goes to 100% that would be punishing those schools that have taxable oil properties. There are varying opinions and varying

explanations to this. If I said 100% to some of those people they would tear the door off the schoolhouse to get down here to talk about it.

**Chairman Kelsch:** The reason for the outcry is that the fact that they say "you can't take the money away from us." We're not. They will still receive their oil and gas royalties. That's been the biggest argument. Remember we are phase II of this bill and it's not over.

**Representative Solberg:** I wanted to mention that because it is a major issue with the school administrators in the western part of the state.

**Representative Hunskor:** If a small school is in that two percent thing, can they be hurt then? If it goes up to 100% then are small schools going to lose some money through the formula—if it goes from 50 to 100.

**Lieutenant Governor Dalrymple:** They are going to see a variety of effects. There is no one pattern to generalize it. The first thing is that oil and gas impacted schools that were qualifying for equity payments, there are some but not many, their equity payment will get smaller. On the other hand, the state average payment is going to go higher and now you are affecting all the other equity schools and so it is more a matter of where you are on the wealth scale rather than school size.

**Representative Hunskor:** If you lose equity money that goes into the big pot on top and gets distributed out.

**Lieutenant Governor Dalrymple:** Your imputed taxable valuation per student is compared to a state average and every time you change this you change the average.

**Representative Hunskor:** What I hear from the schools and maybe they don't understand it, I'm in oil country too. As soon as they hear this 50 to 100 hands go up because we're going to lose a bunch of money. That's my question when it plays through the equity and the formulas do they? That seems to be the fear.

**Lieutenant Governor Dalrymple:** It depends on each school's situation. Sometime they don't know where they sit.

**Chairman Kelsch:** Representative Herbel when we were walking in with Senator Flakoll was he talking about the bill that we had in our Committee where he talked about $10.0 million going into roads. I think the Senate amended . . . .

**Lieutenant Governor Dalrymple:** There's an insight here, when the subcommittee of the Commission met with the oil and gas producing counties, they presented a memorandum on this equity issue and in the second part of the same memorandum was how oil and gas producing counties should receive more funds for counties that are badly impacted by oil and gas. This is control related and there are two bills in the Legislature to divert more oil and gas revenues to impacted counties. One is worth $10.0 million and the other takes the caps off the county that used to be limited and that's an additional $10.0. I assume those will be merged together at some point. Right now there is 20.0 million in the budget status report going to oil impacted counties. I don't think there is any question that what you are talking about here is related to what else happens in this legislative session.

**Representative Hunskor:** Is Jerry able to push a couple of buttons and see what the 50% and 100% does or is that a major thing?

**Coleman:** What it will do is raise the state imputed taxable valuation per student. So those that don't have oil and gas are probably going to be below the state average. On the other end there are the high valuation districts that are heavily impacted with oil it will have a different impact than on those that are not. Everything changes when you change anything in that formula.

**Representative Haas:** The inequitable part of not using 100% of the oil and gas revenues is that those school districts that receive oil and gas revenues are going to have an artificially low

imputed taxable value per value which gives them an unfair advantage economically. Therefore, as far as I'm concerned, you have already bastardized the formula. We know the formula works and we should not artificially manipulate one of the variables in the formula to give certain an advantage. That's why 100% is important.

**Representative Sukat:** There are two issues here. One is equity and that's what that formula does—it provides equity. The other one is people think if they normally get $100.0 of oil and tax dollars we're only going to get $50.0 and that's not right. They are going to get $100.0. That's integrated into the formula to provide the equity part of the formula. They are going to get exactly what they have always gotten.

**Representative Mueller:** In aggregate the oil and mineral interests—there's a reason they wanted it 50.0. They could make the case that they are not going to be as well off simply because they are becoming higher value school districts. I don't think we should skirt that issue because that's how it's going to work. I support the position because if you go back to may part of the world and take 50% of the commercial property and say you don't have to pay taxes on it—it's really the same thing. I think to do it fairly, and I certainly don't blame you good folks from Williston for not agreeing, but I think its right. It needs to be 100%.

**Representative Sukat:** There is another side of that. If you go to 150% you are going to be in an equity situation where you get equity funding and that's another part of that formula. It's not perfect. I don't think any one is trying to say that it's perfect, but from what I've seen and studied, it's off to a good start. Not everyone is going to be happy.

**Chairman Kelsch:** Also in the section of the military provision, Jerry can you comment on that.

**Coleman:** There might be some problem with the language the way that is written in that it talks about payments received by the district under impact aid, it says we cannot count those kids and we cannot count that impact aid. Technically this language creates a conflict.

**Lieutenant Governor Dalrymple:** The attorney general ruled that tuition income is not impact aid but if you look at the amendment in the third line "payments received by the district as a result of" those words were carefully chosen by the attorney in LC and that means either directly or indirectly through tuition. The money comes as a "result of."

**Chairman Kelsch:** Have you talked to Senator Kresbach? She said we may have to tweak this.

**Lieutenant Governor Dalrymple:** I can check and see if she wants to expand on this.

**Coleman:** We know what the intent is. (60.00 on tape.)

**Representative Hunskor:** In the 2% school, no matter what happens with the oil, they're still going to receive $85.0.

**Chairman Kelsch:** Not necessarily, these change from where we had it at $100.

**Lieutenant Governor Dalrymple:** Every district will be different. You can't generalize. Any time you bring more money to that school more and more schools will be above the minimum. Anything you do to enhance the per student payment obviously does that.

**Representative Solberg:** Some of these school districts with oil, some of them must be hurt by this going from 50% to 100%. They were making quite an issue of it when it was suggested to go to 75%. I'm sure from what I'm hearing that there are so many variables here that there will be some of those school districts with oil that will be hurt by this. If they had not been studying it and concerned about it, it wouldn't be an issue.

**Lieutenant Governor Dalrymple:** You are right because they are going higher over 150% over the statewide average. That means they have more than 50% more property than the average school. They are hurt. The question is—is it appropriate?

Section 15: Consolidates the provisions for isolated schools and the Senate amended to lower the travel required from 20 to 15 miles. There was a $300.0 impact.

**Coleman:** It could be less than that. It adds about 9 school districts.

**Representative Hunskor:** Could they lose that to the high valuation thing?

**Coleman:** They could be eligible and it still goes through the formula. It's going to happen to a few of them.

**Representative Mueller:** Given all those circumstances I think there are only three schools that benefit from this.

**Representative Haas:** Are we going to leave the miles where they are?

**Chairman Kelsch:** The Commission agreed with that amendment. It may not impact during the transition, but it may down the road.

Section 16 & 17: This is a hold harmless weighting factor for schools electing to cooperate and consolidate.

**Representative Mueller:** Can someone explain this to me.

**Coleman:** The way this works is when they came together in the old system and brought their students together that put them in a lower weight factor category. This protects them from that for a period of four years. In the 5th year they 2/3 of that benefit and 6th year it's 1/3 and then they are back to normal. We'll be blending the weighting units and they will be weighted as if they remained single. This is to not discourage districts from getting into these cooperative ventures.

Section 18: Deletes hold harmless now found elsewhere.

Section 19: Revises language regarding summer school programs now provided by the weighting factors in Section 7.

Section 20: Streamlines the provisions for a school district to file and appeal.

Section 21: Provides an offset if the general fund mil levy is below 155 in the first year and 160 mils in the second year. The Senate amended the level to 150/155 and the Commission supports the amendment.

Section 22: Provides an offset to a school district's payment if the district's imputed taxable evaluation per student is above 150% of the state average.

Section 23: Establishes that ADM is calculated at the conclusion of the school year and that the standard calendar will be 180 days. If different, it will be prorated. Non-instruction days will not be included.

**Coleman:** DPI will have an amendment to clarify this.

**Lieutenant Governor Dalrymple:** This is something the geniuses are going to have to work out. What is the deadline for amendments?

**Chairman Kelsch:** This bill has to be done on Tuesday. I ask that all amendments be in by Monday afternoon; Tuesday morning at the latest.

**Representative Mueller:** I think we started a discussion on how we're going to handle more than half time and less than full time kindergarten students. It looks like Section 23 deals with that.

**Coleman:** Reconciling to that full time kindergarten and however that translates would need to be put into this section. Right now the way it's worded is that kindergarten programs at .5. If we go to full time kindergarten we have to manipulate.

**Representative Mueller:** I think we paid for parts of kindergarten. Maybe we were less than half time. If we follow precedence then this language needs to be the stuff we adapt and go back and restructure the other end of it that you opened the discussion of today.

**Coleman:** One way to do this would be to say that kindergarten can't exceed .5. If kindergarten is treated like regular attendance days pro rate it. The way it works now if you are offering a full day kindergarten now, you still get only .5. This is a place you could deal with that. If you are going to pay kindergarten like any other program, pro rate it and make that transformation.

**Lieutenant Governor Dalrymple:** If we were going to define full time kindergarten how many hours would it be? We need to know that as we talk further.

Several Committee Members: 5.5 hours.

**Chairman Kelsch:** I'm going to set up a subcommittee just for kindergarten. It's more complicated than some of these changes.

Section 24: Allows students from school district that was dissolved to be counted in their new district.

Section 25: Restores current language on ending fund balances.

**Representative Solberg:** Is the 45% changed from what it was in prior years?

**Chairman Kelsch:** I think the 2008 language is in statute. That's what's we started doing a couple of sessions ago.

**Representative Solberg:** At one time wasn't it 50%?

**Chairman Kelsch:** At one time it was unlimited.

Section 26: Provides that funds distributed from the state tuition fund be included in state aid payments rather than be distributed according to the number of school age children residing in each district.

**Hanson:** The census now that schools take, you don't go door any more. They are just guessing. When did we change that?

**Coleman:** Some of the larger districts are not doing a door-to-door census. They call around to hospitals and to private schools and do kind of a modified census.

**Representative Hanson:** It's not accurate. You can know how many are born in a hospital but you don't know how many kids left.

**Coleman:** Now it's done in each odd numbered year in May and we collect it June 30. It's in the repealer and it will be gone. Technically they will have to do it this May if the emergency clause is not put on it.

**Representative Haas:** It may not have anything with state funding but it seems to me they would still want that information for their long-range planning.

Section 27: Deletes obsolete language regarding student attending high school in bordering states and clarifies that they are counted in their district for ADM and weighting factor purposes.

**Representative Mueller:** That's an interesting piece because it goes back to the Apple Creek issue out here. If we are going to do that for purposes of sending students out of state on a tuition basis why wouldn't we do that for elementary who are sending kids elsewhere for an education. It goes back to the number of kids they get credit for. We ought to be consistent.

**Coleman:** This deals with across border and the districts are paying tuition out of state and they have to pay that tuition and those kids are included in the formula otherwise it would be a double penalty.

Section 28: Deletes references to tuition apportionment payments.

Section 29: Clarifies the amount subtracted from tuition payments will be the per student payment times the school size weighting factor, but no longer reduced by the mil deduct.

**Representative Mueller:** Did we not pass a bill earlier that speaks to the amount of tuition payment?

**Chairman Kelsch:** It will just reconcile.

**Coleman:** This piece subtracts state aid say like Apple Creek sends their students to Bismarck. Bismarck receives state aid for those students but in that state aid there is no mil deduct amount. The bill you were referring to sets an absolute cap on the amount of tuition that can be charged. It won't impact.

Section 30: In cases where students are placed for non-educational purposes, provisions for payment of tuition are expanded to include tutoring charges.

**Representative Karls:** Do you have a definition for this.

**Coleman:** On page 27 that is the section that deals with non-educational payment. What that is foster care placement by court order. It outlines the circumstances.

Section 31: Levies for tuition payment may also include tuition charges.

Section 32: Deletes language regarding tuition apportionment – payments are now controlled by ADM and weighting factors.

Section 33: Makes the new provisions of special education compatible with the open enrollment section. The Senate amended and the Commission concurred.

Section 34: Deletes language regarding the state tuition fund.

**And I think that's where we'll stop for today.**

**A subcommittee was appointed to study Section 3, Kindergarten was appointed: Representative Haas, Representative Meier, and Representative Mueller.**

**Representative Haas:** What is our charge?

**Chairman Kelsch:** We have about 3 different options. We can take the language in 2013 and move it in to this bill and the money is in 2013. We can leave it in 2013 which worries me a little bit. We need to reconcile the language to make sure we have the weighting factor correct and make sure it reconciles. Or we can say we are going to do only the at-risk. In my own mind, I would feel better if we had control over the policy part of the program. I think it needs to be defined what is a day of kindergarten. Is it the same as 5.5 hours for first grade?

**Representative Mueller:** Would a head start day be any criteria?

**Chairman Kelsch:** It may be something you look at. You can look at it and decide.

**Discussion closed.**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200**

**House Education Committee**

☐ Check here for Conference Committee

Hearing Date: **7 March 07, p.m.**

Recorder Job Number: **4598**

Committee Clerk Signature Jan Lindle

Minutes:

**Chairman Kelsch opened discussion of SB 2200.** We don't have Lieutenant Governor Dalrymple down here right now, but we do have Mr. Massey who I told you appeared before the Appropriations Committee yesterday. I would like him to explain his situation. I believe you have an actual amendment.

**David Massey, DPI:** Yesterday Representative Aarsvold stopped by and asked me about the funding situation for the Adult Learning Centers in the state. I did prepare a handout for him and I didn't bring it for you because I wasn't sure what you were looking for but I can tell you what the numbers are. For the past 13 years there has been no increase in adult education except for the last time you were here you did provide $135.0 in addition to what we had before. For the last biennium we had a little over $1.0 million. They were looking for some additional sources of funds to increase the appropriation for the learning center and he asked me if I had any ideas. What I presented to them yesterday was this: You already appropriated funds for students in public schools and we calculate an estimate based on the history of the number of students in the past years and what our projections are. You have the number of students out there that you appropriated the funds but at the same time you have a number of students who leave the school system and don't go anywhere for six months or a year but some go to adult learning centers for additional services. However, the money

you appropriated remains there it doesn't follow that student to the adult learning center. My proposal was that if you are looking for funds, not necessarily new funds but that you have already appropriated, this is another source that could be used to provide assistance to adult learning centers. That was the idea that was presented. I had prepared an amendment for Representative Aarsvold and I don't know where that is at this point.

**Chairman Kelsch:** We still need to put language into code that says half of that payment follows that student when he goes to the adult learning center. That's policy and needs to be done in this Committee. The money part of it could be done in Appropriations. This Committee needs to have that amendment. I think this is a good idea and Appropriations can take care of the money. They are two separate issues. The policy part needs to be in this Committee.

**Representative Haas:** Are you thinking of attaching that amendment to 2200.

**Chairman Kelsch:** Yes. It seems to fit in. If we can get that part of it from you? I did talk to Dave Monson, Kathy Hawken and Ken Svedjan so they are aware of it.

**Representative Hunskor:** Is there a set amount available?

**Massey:** What those amendments were that we would just get half of the state foundation aid payment to provide for those students that actually complete their GED.

**Representative Hunskor:** Is there any money in the fund built up that hasn't followed the students.

**Massey:** Whatever is appropriated is distributed to the school district; however at the end of the year there are funds that are left over that are not distributed. It is distributed to the schools for different purposes after that. That simply depends on what you actually direct the Department to do.

**Representative Mueller:** The half of a FTE student payment, how significant is that in increasing the pool of dollars we are talking about. How much different is that from the way we have been doing business?

**Massey:** What you have provided so far comes out to $500.0 yearly. If you look at the numbers of how many do enter the adult learning centers--those that are between the ages of 16 and 21. Last year we had approximately 820 of those students in that age. Approximately half did finish their GED program and the year before we had 835 and 380 of them finished. It depends on the number of students that provides additional funds who are in fact receiving these services through the adult learning center. I don't exactly what that amount would be.

**Chairman Kelsch:** What they were looking at was taking $200.0 out of the contingency funds for now and with an appropriation for the second year. I did want you to come down and give us your thoughts on it. I think it better that it come from the policy committee because it is policy. We would like that amendment by Monday.

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200**

**House Education Committee**

☐ Check here for Conference Committee

Hearing Date: **7 March 2007, p.m.**

Recorder Job Number: **4600**

Committee Clerk Signature Jan Rundle

Minutes:

Also attending to provide information to the committee were **Lieutenant Governor Dalrymple, and Tom Decker and Jerry Coleman from DPI.**

**Chairman Kelsch opened the discussion of SB 2200, taking up with Section 35.**

Section 35: Allows school districts to provide special education through educational associations.

Section 36: Deletes obsolete language regarding payment directives for special education because of new provisions for ADM and weighting factors. Reaffirms that the students' school district of residence is liable for the cost of educating the student.

Section 37: Updates the special ed provisions for attendance at private institutions or out-of-state public schools.

Section 38: The title is updated.

We have always had the policy for transportation included in the funding bill and that's a consideration that we may have. We may want to look at doing that. The only reason it wasn't in here in the first place is because we (Commission) didn't know what we were going to do with it. If we decide we like the language we heard yesterday, we may look at folding it in to this. This is the education funding policy for the session.

Section 39: Revises the provisions for special education on the Contract portion of reimbursement.

**Representative Hunskor:** Lines 27 and 28—what does that say?

**Chairman Kelsch:** Those are the top 1%, the high need kids. Remember we have in here that if there are expenses that go above and beyond, we have that in contingency, Section 55.

**Representative Haas:** On page 36, we need to adjust those factors from 3.5 back to. . .

**Chairman Kelsch:** I have the amendment for that. That other part that we need to look at more closely is subsection 5. The intent of that language was that we didn't want to have the special education services provided to one student to exceed 2% of the district's total annual expenditures. That language is not very clear. I'm not positive that what I have. . .

**Representative Haas:** It says the "unreimbursed costs" so it can't be the total cost of that student exceeding 2%, it can only be that cost above the reimbursement.

**Chairman Kelsch:** Right; but I don't think it's clear. We understand what they were trying to do but it's not clear. Maybe we should look at that more closely. The Commission is neutral on the Senate amendment of this section.

**Representative Haas:** I'm not sure that subsection 5 is needed. If you look at subsections 2, 3 & 4, if the district's cost exceed any one of those factors; the state picks up the rest anyway.

**Chairman Kelsch:** That's true. In the Commission when we talked about this we basically said to look more closely at subsection 5. Let's start at the top. Line 7 should be 4.5 times—so the 3 should be replaced with a 4.

**Representative Mueller:** On line 13, don't we have to readjust those numbers also.

**Chairman Kelsch:** Yes, it should go from 4.5 to 4, from 4 to 3.5 and from 3.5 to 3.

**Lieutenant Governor Dalrymple:** Everything after 4.5 is new language from the Senate.

**Chairman Kelsh went through the section deleting the entire Senate Amendments.**

**Representative Wall:** Is there money in this bill to leave in the lines through 15?

**Chairman Kelsch:** No, there wouldn't be because those are for the next biennium. We may want to leave it this way because we many find that 3.5 is good next session.

**Lieutenant Governor Dalrymple:** Senator Bakke was trying to but something in that would demonstrate that we would come down further in the future. We can certainly discuss that in the conference committee.

**Chairman Kelsch:** Okay on line 7 we would overstrike 3 and put it to 4, on line 9 we overstrike starting at "for the. . . all the way through line 15. On line 16 we delete "such as provided in subsection 5" and then subsection 5 would be delete.

**Representative Hunskor:** In essence that means the local school will pick up a little bit more of the special education costs.

**Chairman Kelsch:** What happened is when they changed it down the 3.5 they added $2.6 million to the contract side instead of the ADM side. It switched when they changed the multiplier.

**Representative Haas:** That was not necessary because the bill provides that the state will assume everything above 4.5%. That additional Contract money was really not needed.

**Chairman Kelsch:** A majority of the superintendents who contacted me said they would prefer it to be on the ADM side versus the Contract side.

**Representative Karls:** I don't understand the Contract side.

**Representative Haas:** If there is a student in the school who can not be educated in the district; in Dickinson we had an autistic child and the student was sent out of state for education and there was a contract between the school district and the provider of services for that child. It cost tens of thousands of dollars. At the time the district's share was 2.5 times.

Theoretically the state was supposed to pick up everything above 2.5 times the cost. There never has been enough money appropriated to fulfill those excess 2.5 times obligations. Now this bill takes care of that. In Section 55 provides for a transfer from the BND to make sure that all of those obligations are met by the state and it doesn't fall back on the school district. So that's what the contract side is.

**Representative Karls:** So a special ed student is then counted as 4.5 students.

**Representative Haas:** They will have a weighting factor depending on the handicap condition; but this means that the school district will assume 4.5 times the average cost of education for that child. Once they have reached that point, the state's going to pick it up.

**Representative Mueller:** How does the 1% come to play with those kinds of students that are going to be in excess of 4.5 times the cost?

**Lieutenant Governor Dalrymple:** The 1% is in essence, policy statement that the state will cover this 1% most severe of all special ed kids in the state. To the best of our knowledge that equates to a 4.5 multiplier today. In the future that could change but the commitment is to the 1% most severe.

**Representative Mueller:** They would be primarily contract kinds of circumstances.

**Lieutenant Governor Dalrymple:** Yes, that's where that term "Contract" comes from. Normally in that situation the school is going to be contracting for services at various times and they actually have a contract on file with the state. It's a totally different situation than just learning disabled.

**Representative Mueller:** So you have the 1% most critical, does the 4.5 times get charged to the school district and then they kick into this 1% category.

**Lieutenant Governor Dalrymple:** That's correct. The state is responsible for the first match of expenses, but it is limited to 4.5 times the cost of education which is about $7.0. So you

are talking about around $30.0 or over. The school has to pick up the first $30.0; but what they really care about is that they don't have any more liability beyond that point. So if that kid runs up into the hundreds of thousands it doesn't cost them any more money. That's what they wanted above all else in this bill.

**Chairman Kelsch:** And that's why they did not care for the change that was made because that was something that was agreed upon. It took a while to put it together, but that was something the superintendents really wanted.

**Vice Chairman Meier:** Two questions: 1.) Do we know how many students this actually effects? 2.) Up to what age do we continue to make payments from the state?

**Chairman Kelsch:** To age 21.

**Lieutenant Governor Dalrymple:** One percent of all special ed students is about 146.

**Representative Mueller:** If the school is responsible for 4.5 times the cost of education and the state picks the rest of it up, is that not true for all circumstances that are 4.5 times over and how does the 1% come into this picture.

**Lieutenant Governor Dalrymple:** The 4.5 multiplier does govern the formula. The 1% is separate—it's a policy statement. I know what you are struggling with. What's the relevance of the 1% if we have a formula that governs no matter what? The folks that bargained for these things on behalf of special education wanted that policy statement that we are going to try to set the formula up so that we always cover the excess costs of this 1% population.

**Chairman Kelsch:** Those are the 1% that are going to cost the most money.

**Representative Haas:** I don't think the 1% was a number that was pulled out of the air. That's just a typical number based on historical figures of how many kids fit in to this category.

**Chairman Kelsch:** Wasn't it part of the study that was done when the consultants came down and gave their report, wasn't that one of the recommendations that they made?

**Coleman:** That's what was relied on by the Commission and they recommended this high cost risk pool cover the upper 1%. When we did our numbers it was actually 5 times and covers 1% and we moved the multiplier down and that actually includes more students that would get covered under this. As I take it, the 1% is really just intent language. It doesn't mean that we take the top 1% of the kids and that's all we're going to fund. It was given as a statement of intent on what we are trying to cover.

**Chairman Kelsch:** Yes, that was one of the recommendations that we had by the consulting group was that we need to make sure that you are funding that top 1%. That was a study done over the summer months by a group consisting of special ed school district personnel, a legislator, and DPI personnel done during the interim. They issued their report in July. I don't want you to think the Commission just grabbed this stuff out of a hat. We actually waited with special ed until this report came out because we wanted to make sure that if we were going to do something with special ed that it is in tandem with what came out of the report. So that's where the numbers came from.

**Representative Mueller:** So part of this is to keep in the parameters of special ed; is that why we don't have it lower?

**Lieutenant Governor Dalrymple:** Yes, and the recommendation of the study group. In the long-term it would be very common to accept the excess costs of 1% of the students. It's a benchmark.

Section 40: Regarding multi-district special ed units—the language is omitted that would limit school districts to two options. That goes back to Section 35 where we allow them to offer special education through JPAs.

Section 41: This is new language. One of the things we thought we should look at as a Commission is how we handle construction. We talked about school districts needing

chemistry labs and we talked about labs on wheels that could be used—trailers or whatever. There are all kinds of things we talked about when we talked about construction. This was what we came up with and it provides an equity program for school districts facing major construction and remodeling costs. It expands the amount of loan funds from the coal development trust fund of $50.0 million. It requires approval by the superintendent of DPI, and demonstrated long-term need. Each project must have a useful life of at least 30 years. That goes along with what this Committee's thoughts that these projects should have longevity.

**Representative Herbel:** What are the criteria for the 30 years? Is that based enrollment?

**Chairman Kelsch:** We were looking for school districts to have longevity. Is there a district around that may not be here 30 years from now?

**Decker:** Five districts in Pierce County are coming together. If one of those districts asked for a construction approval on their own, clearly there is not 30 years of life in that district.

**Chairman Kelsch:** With the five of them consolidating, there is longevity. You have to also look at service offerings. We don't know what's going to happen with enrollment in 30 years. If you are building a building and it costs that much money based on depreciation and cost, 30 years is probably viable.

**Lieutenant Governor Dalrymple:** Keeping in mind that this for incentive and we're not saying they can't do something on their own. For purposes of the subsidy if they build a new building, or build a new gym attached to school, we're telling the department they should be looking for a 30-year life. Maybe you think that's too severe.

**Representative Mueller:** We already have laws in effect that govern this and this is just an affirmation in terms of how we might fund things down the road. The other thing that needs to

be considered is this is two-year law and should there be circumstances change out there, we can change that two years from now.

**Lieutenant Governor Dalrymple:** This is existing law in this section having to do with improvements and really all we're doing here is a couple of added guidelines and making some more money available. The added language is just to show that the subsidy is bigger for those that are poorer or less able to finance their improvements. That's the equity issue we are trying to work into this existing program. The poorer you are in terms of tax base, the more help you can get.

**Chairman Kelsch:** Division 3 gives the priority for school districts to qualify for the equity payment and 4 and 5 base it on the imputed taxable valuation and whether or not it's below 80% of the statewide average or between 80% and 90% of the statewide average. Six establishes the terms for the loan; and 7 through 11 update the language.

Section 42: Is an incentive for school districts that resolve to plan their future together and undertake a construction project as part of a reorganization plan.

**Representative Mueller:** In section 42 are the same requirements for longevity and enrollment trends going to apply even reorganized districts as they do in Section 41.

**Chairman Kelsch:** It is my understanding that is still part of the criteria.

**Representative Herbel:** Will that tighten up the situation we were talking about last year.

Section 43: Establishes the criteria for ELL (English Language Learners).

**Lieutenant Governor Dalrymple:** In discussion with DPI we do have a suggested amendment. It will add a definition for new immigrant ELL. I will bring that in to you.

**Chairman Kelsch:** We will no longer be using the old test. It will be used in May and so we keep it in here for one more time. If you can come to a consensus and bring that to us as part of your amendment package, that would be great. We will then have this issue resolved.

**Lieutenant Governor Dalrymple:** I should be able to have that to the Committee in the next few days.

Section 45: Removes obsolete language regarding the mil deducts.

Section 46: Authorizes the Commission to continue.

Section 47: Continues the current provision regarding 70% of the per pupil payment.

Section 48: States that if a military base school district begins direct provision of education to its students, it is entitled to count all students in its ADM. The Senate made this amendment and the Commission supports it. The Senate added another amendment that removes three sections of law from the list of sections being repealed by the bill. It would provide that $50,912,120 not be included in the new formula. The Commission does not support this amendment because it compromises the important principle of distributing all funds under a single comprehensive formula for maximum equity.

Section 49: Repeals various unnecessary sections of the Century Code.

**Representative Haas:** Can you tell me which the repealed teacher comp code is?

**Lieutenant Governor Dalrymple:** It would be the very last amendment put on by the Senate.

**Chairman Kelsch:** It would be 15.1-27, 15.1-36, 15.1-37 and 15.1-27-38. Those are the ones that we need to put back in.

**Lieutenant Governor Dalrymple:** I have asked for an emergency on the first section so they do not have a mandatory census this May as we discussed yesterday.

**Representative Mueller:** Can we back up a bit. Section 48 requires that we handle things in terms of handling the military, federal impact aid people, following these guidelines but we're not going to be doing that with the Minot people. Is there any conflict between this provision and the Minot provision?

**Lieutenant Governor Dalrymple:** Those two sections go together. This section refers to the actual air base districts themselves. There is a Grand Forks Air Force Base District as well as a Minot Air Force Base District. They are not operating districts as they send all their students to Minot and Grand Forks public schools. What this says is if they should choose to become an operating district then they will eligible for all normal formulas which is nothing but common sense but they wanted that spelled out clearly in statute.

Section 50: Appropriates $2.0 million to JPAs.

Section 51: Appropriates $1.2 million to pilot projects for career and technical education. We have to say it is appropriated in the CTE bill and leave the policy here. Anita's amendment takes out the appropriation and also Section 52. This needs to be corrected.

**Lieutenant Governor Dalrymple:** I would suggest that you not even reference the amount of money but just refer to it as being in SB 2012. I think it's important for people to see the amount of money that was recommended by the Commission.

Section 53: Sets up a deferred maintenance plan of $10.0 million. This would be triggered if the general fund if the general fund is $30.0 million in excess of the amount produced by OMB at the conclusion of the 2007 legislative session. Each school district would receive $20.0 plus the school districts pro rata share of the remaining appropriation calculated by using the latest ADM. This came in as an amendment. The Commission determined they had the bill intact and then this amendment came in. The Commission has remained neutral on this particular section.

**Lieutenant Governor Dalrymple:** This was not unanimous but it did pass by a simple majority. Those of us who voted no felt that it was not an equity or adequacy issue, it is a policy question and it should be decided by the House Education Committee not by the Commission.

**Chairman Kelsch:** This is one I want you to ponder. Justifiably it may be that every school district has maintenance issues that need to be addressed—and it may not be. Everyone gets $20.0 to do with what they may.

**Representative Mueller:** I have the same feelings that others in the room have. Nothing in 2200 prevents the sinking fund levy, maintenance levy, building levy, go to do exactly what this piece is trying to do. We haven't taken any of that away, have we? Everybody can just ask for $20.0 and then get some more money on the ADM.

**Chairman Kelsch:** We haven't taken away the levy. Basically this is a pool of $10.0 million where every school district will get $20.0 and then whatever is left they get a pro rata share based on ADM.

**Representative Mueller:** If they need it or not.

**Representative Haas:** Does this come out of the $82.0 million?

**Chairman Kelsch:** This is a trigger. If the at the end of 2007 the general fund is $30.0 million higher than OMB predicted then $10.0 million would go into this fund and DPI would distribute it. The other thing that scares me a little bit when we come back next session is it could be cut off the top. Not saying that's going to happen.

**Vice Chairman Meier:** Could you talk about the rationale of the amount that was proposed?

**Chairman Kelsch:** It was based on the number of school districts in the state and trying to figure out how $10.0 million would best work out. Then because the rest of the money is distributed by ADM, the school districts that have the most students would potentially get more money; where the greatest need is—maybe. It was just worked into $10.0 million. I can't say there is any rationale.

**Representative Herbel:** What was the rationale for doing this at all? There must have been some discussion.

**Chairman Kelsch:** I think Senator Flakoll thought it was a good way to get some money into schools that wasn't typically earmarked for the classroom. You have to report to DPI how you expended the money or you have to return the funds. It continues on. It's not just 2007, it's 2008, 9, and 10. I think that's what his intention was. He thought that some of these school districts needed extra money for stuff they have been putting off because they have been putting books in the classrooms or paying teachers or whatever.

**Lieutenant Governor Dalrymple:** By way of background, last summer when this was adopted was the peak of the oil market and there was quite a bit of concern among legislators that we were going to have way more money and people were trying to think of contingency program spending at that time. I will say the school construction loan fund which you are increasing in this bill is still going to be far short of what could be productively used.

**Representative Haas:** Generally these types of expenditures can be considered part of a normal school district budget through their O & M budget. Every school district has the potential for some kind of levy for a building fund which is not for debt retirement but for extraordinary building maintenance. There are only 20 districts in the state that have maxed out on that fund. It's a permissible 20 mil levy. There are a large number of districts that don't have anything levied for their building fund. I really think this is something that isn't probably necessary.

**Representative Hunskor:** It seems that to tie $10.0 million for something that may be used here and there where they may be other needs. . .

**Chairman Kelsch:** So please ponder this.

Section 54: This is the contingency money. The first $1.0 million goes to the Contract side of special education and the next $1.0 million goes to JPAs and that would give them a total of

$3.0 million. We gave them $2.0 million strait up and $1.0 million contingent. Any additional would be distributed by ADM.

**Representative Haas:** Did we put a third one in here?

**Chairman Kelsch:** We talked about it, but we didn't do it.

Section 55: This is the contingency transfer from the BND for the special education Contract charges.

Section 56: This declares section 46 an emergency due to the Commission wanting to in May begin their work adequacy.

Studies in here include high school curriculum and adequacy. Just because we lay out some studies in here is not necessarily that an interim committee is going to pick these and study these. We're not exactly sure how to do this if we can actually or should assign these studies directly to the Commission or if we just put in here as topics because they are adequacy. High school curriculum and services to ELL are adequacy. The reason we have ELL in here is because we have that English immersion bill and whether that's something we should look at for the next biennium. Putting together some kind of pilot project is something we should look at more closely. We do have the reauthorization of NCLB coming back. It is up to this Committee to decide if we want to continue it. The after school programs—the concern that has been raised is that it is totally federally funded right now. There may be some partnerships at the local level but typically they are federally funded. If the state would get involved during this biennium and the federal funding goes away, what is the state's role? How should they run if the state does run them? The programs are not run identically across the state. Those were some of the study thoughts and some subjects that probably need to be looked at. I would say ELL and probably these after school programs and NCLB and there are probably more things that can be looked at by the Interim Education Committee. High

school curriculum is one that is probably needed to be addressed by the Commission as is adequacy. ELL may fit in somewhat with the adequacy issue. Those are some of the things we are looking at for study.

**Representative Mueller:** Where would that go into this?

**Chairman Kelsch:** It would be added on in more sections.

**Representative Mueller:** What was the possible contingency fund issue that Representative Herbel mentioned? Was it the transportation?

**Chairman Kelsch:** We do have the transportation bill here. If this is the education bill it should probably include the policy for transportation as well.

**Lieutenant Governor Dalrymple:** I do think they should remain separate.

**Representative Mueller:** Why would you think that is important?

**Lieutenant Governor Dalrymple:** The transportation aid formula has been difficult in the past and it might become so again. The Commission did not feel it was an education issue so we did not address as a Commission. It was not a lawsuit issue. It's a very important policy decision, but I think you have the bill and you can deal it with it in total content. We would consider it a separate policy issue. We talked about wanting to help a particular group schools; the small schools in sparsely populated areas. Transportation can become a big issue for certain schools.

**Chairman Kelsch:** Are you comfortable with the studies going into this bill?

**Lieutenant Governor Dalrymple:** You got any other bills around?

**Chairman Kelsch:** We do. As a Committee it usually fits well in the major bill but we'll cross that bill when we get to it.

**Decker:** I have a memo from our people regarding the need for fall enrollment numbers. We can deal with questions later if you like.

**Chairman Kelsch:** Aren't you working on an amendment on this.

**Decker:** This is important enough to continue the requirement for it. If it comes late we need to hold aid. It's that important to getting our work done.

**Chairman Kelsch outlined the work remaining for the Committee. She asked that all amendments for SB 2200 be presented in a timely manner.**

**Adjourn.**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200**

**House Education Committee**

☐ Check here for Conference Committee

Hearing Date: **12 March 2007**

Recorder Job Number: **4937**

Committee Clerk Signature Jan Prindle

Minutes:

**Chairman Kelsch opened discussion of SB 2200.** I have some proposed amendments that we talked about the other day. I don't think they are 100% correct. Let's look through the markup. It looks like lines 1 through 17, are cleanup language. Section 2 is highlighted for you. Representative Haas, is this the language that's currently in 2013?

**Representative Haas:** No. The language in 2013 is much more complicated. When Reps Mueller and Meier, and Lieutenant Governor Dalrymple discussed this we thought we would have to have new definitions and because according to this bill now, the funding availability would not be available until the 08/09 school. On page 1 of the amendment where it says "Beginning with the 2008-09 school year, a full day. . ." That's where we define it.

**Chairman Kelsch:** Page 2 it deletes the original provision of 2200 that dealt with the at risk kindergarten.

**Representative Haas:** On page 2 of the amendment it talks about kindergarten payment (page 8 of the markup). That provision is there because some school districts may not have any experience offering a full day kindergarten so how are they are going to be paid for the 08/09 school year. Generally, and Jerry Coleman was in our meeting also, we decided that what would be best is if for the 08/09 SY, they would get paid based on the 08 fall enrollment and the in subsequent years they would get paid on the previous year's ADM. On page 22,

line 28 (markup) (page 2 of the amendment) "Beginning with the 08-09 SY . . . may not exceed an ADM of 1." If they meet definition criteria of the bill going 5.5 hours per day, that's 1 FTE ADM for payment purposes.

**Chairman Kelsch:** All day kindergarten is still voluntary?

**Representative Haas:** That's right.

**Chairman Kelsch:** On page 4, line 23, the language to require the September fall enrollment report was lifted and it was requested by DPI that report still be made available to them for data purposes.

In Section 7, deletes the old language regarding the students at risk. On the ELL, this is where one of the issues has come in. The ELL immigrant has a weighting factor of .14 and if a regular ELL, the weighting factor is .02. This is the area where we need a little bit of cleanup language to make it clearer. It based on the level 1 and level 2 of the testing. If that language isn't exactly correct, I believe Anita (Thomas) is correcting it. On Line 24, the special ed factor is moved to .067 from .063.

The sections are renumbered after these changes.

On page 14, line 29, the "fifty percent of" is taken out and it would become 100%.

**Representative Solberg:** Who drew up this amendment?

**Chairman Kelsch:** I drew it up based on the discussions we had when we went through the bill. This is all the amendments we talked about.

**Representative Solberg:** Lieutenant Governor Dalrymple stated on Tuesday when we were discussing this that if this goes to 100%, it would hurt the schools in the oil producing counties and you all heard it.

**Chairman Kelsch:** This is for discussion purposes only. We are walking through the amendment and then we will go back and vote on the major changes independently and we'll

decide how we want the actual amendment to look. These were based on the discussions we have had. We're not voting on the amendment. We'll go back and discuss and see if there are other amendments that are coming forward as well.

Page 22, line 27, insert "During the 2007/08 SY, a." New language would be added for 08/09 that would move that up to an ADM of 1. Kindergartners become full time students.

On line 1, page 23, insert after enrolled, ", as defined by the superintendent of public instruction,"

Page 32, line 17, after Special education, add "students—Contracts for placement"

Page 36, this puts the language back to the way the bill was introduced in the Senate regarding the excess costs. It becomes 4.5 times the excess costs.

Page 40, here the definition of a new immigrant ELL is inserted. The rest of the language regarding the test is deleted. The reason for this is that while they will take the test this year there will be a new test the following year so we don't want the references to the test.

Page 42, line 29, there is a "reimbursement for expenses" added in.

Renumbered Section 51, this is changed to repeal of teacher compensation and the sections that deal with weighting factors in the way they now appear in code.

Current Sections 51 & 52 are blocked out: This is where I have a problem. We wanted to take the appropriation out of the bill because it is in CTE's budget. But I think this section has to stay in law because that tells how we want those grants to be done. It lays out the process. We have to make that change. I think its okay for Section 52 to go and Section 51 should stay in there but refer to the $1.2 million somehow and it is appropriated in SB 2013. We would probably prefer to have it laid out so you knew how we wanted those grants distributed.

On page 46 it lays out how it will all be distributed.

Page 48, this is where we have $1.0 million for special ed contract charges, $1.0 million to JPAs and the remainder of the money would go out based on the latest ADM.

Line 27, this states that sections 47 and 50 are declared to be an emergency.

Before we go back, I want to have a discussion on Section 54, Deferred Maintenance. This was an amendment that came on at the last minute in our (Commission) deliberations on 2200. It was the only amendment that did not get pretty much unanimous support. Most of the changes made had unanimous support. I couldn't tell how the Commission felt about it. We didn't discuss it much.

**Anita Thomas, Legislative Council, joined the Committee.**

**Chairman Kelsch:** What changes are you making for the ELLs? I understood that wasn't exactly correct.

**Thomas:** Section 7 of the bill right now on lines 18 and 19 we have 0.23 for ELL. Those two lines are going to be removed and then we will reconcile the internal references.

**Chairman Kelsch:** Then the repeal of 15.1-09-46 in Section 50 is regarding the school district census. That's an emergency because we don't want to do that this May. So that needs to be included.

**Representative Mueller:** The building provisions in Section 47, does seem a bit out of place. Not to say there isn't a lot of merit in it. If I'm reading it, we have added a $40.0 million fiscal note to this package. If equity is our focus, I'm not sure how this fits into this bill in a very meaningful or positive way.

**Representative Haas:** I agree with Representative Mueller. I think we should take that out of there and that money will still be distributed under the last category of contingency distributions and would go out based on ADM.

**Chairman Kelsch:** It's 10.0 million out of the general fund if the fund exceeds $30.0 million.

**Representative Haas:** That's even a better reason for getting rid of it.

**Chairman Kelsch:** That's one of the areas that I want you to ponder.

**Representative Herbel:** What was the rationale for putting that in there instead of to the total appropriation or ADM.?

**Chairman Kelsch:** It was being futuristic. At the time this was discussed oil prices were on the rise and things looked really, really great and they were going to skyrocket. Since then things have leveled off some. It was done in anticipation that we would most certainly have at least $30.0 in excess in the general fund. And we know that there are school districts out there that have maintenance that they haven't taken care of. I supported Senator Flakoll because I felt it was a subject that came up and really did not get a lot of discussion. I thought through the legislative process it would get more discussion and the legislature would determine valid program.

**Representative Mueller:** I think some of the bills we passed, and who knows if they will stay passed, having to do with reductions in the general fund and we're going to put more into some trust funds and I think we passed some of that legislation and certainly that is going to have some major impact on the availability of any dollars like this. Even if that were not the case, if we have that kind of money going into another biennium then we need to address the adequacy part of education financing. I agree with those who don't think we need that in there.

**Chairman Kelsch:** I think that is an area of consideration for us.

**Representative Haas:** I have another area of concern. On page 21, the situation on line 28, I don't think we should be multiplying or reducing by 25%. If we are going to maintain the integrity of the formula, that should be 100%. I think we should delete line 28. We are already saying that your imputed taxable value per pupil can be 150% of the state average.

That's $26,701 and then we're going to mitigate that further by saying that we are only going to take 75% of whatever comes out of that calculation. I don't think that's right.

**Chairman Kelsch:** Were there any other areas of concern that the Committee saw as we went through this?

**Representative Mueller:** We have a section that talks about tuition being paid to out of state schools for students enrolled over in those schools. The calculation allows a school district to count them but we don't allow students to count in state those that are tuitioned out. Can you help me to understand better why we are doing it that way? (Page 25)

**Chairman Kelsch:** I had a question on that. Jerry, does this interfere at all with anything that we are currently doing? Lieutenant Governor Dalrymple talked about MN and MT which is different than SD.

**Coleman:** This deals with MN and MT and they are required to negotiate tuition amounts. There used to be reciprocal agreements but those are gone now and they negotiate tuition. The way it's worded is they will receive state aid for those students for educating them in MT and MN. It's different than SD where it's an open enrollment kind of situation. It differs from tuition paid to another school district in that is readily available to that school and that's why we include in the imputed taxable valuation.

**Representative Haas:** Potentially if a student is going to an out of state school, then the student's district of residence in state stills gets the foundation aid. Is that right?

**Coleman:** That's correct.

**Representative Haas:** So in order to get that foundation aid you have to count them in the ADM or they don't get it.

**Coleman:** That's correct.

**Representative Myxter:** With the ELL, is that payment being lowered?

**Chairman Kelsch:** No, they will not be lowered. It takes the highest need students which are the new immigrant students and puts the majority of the money there. The second level, which would be the regular ELL student, would encompass students who are actually having difficulty with the English Language but aren't necessarily new immigrants. The new immigrant would technically be 1 and all the rest would 2. When we are talking about all the rest one case scenario would be up in Turtle Mountain where we had a number of Native American students who were in the 1, 2, 3, or 4 levels from taking the ELL test. They qualified for the ELL learner but really what the program was set up for was to help out these school districts that have the large population of new American immigrants. What we are doing is dividing it out so the school districts with actual new immigrants would receive more money and then the remaining money would be distributed among the rest of those students.

**Representative Myxter:** Would that be covering more students?

**Chairman Kelsch:** I don't have the numbers with me, but I think there are actually more in that 2, 3, 4 category than there are in the 1 category. I think we have about 8,213 ELL students across the state and of that number the ones that get that level 1 funding is probably about ¼ of that.

**Representative Myxter:** I was just trying to figure out how .14 and .02 added up to .23. I'm Norwegian and didn't quite follow that.

**Chairman Kelsch:** We talked about several different ways but we felt this language probably took care of it.

**Representative Wall:** Could I get some clarification on Page 36—special education. Under subsection 5, I see part of the material that has been omitted is now in subsection 1. I'm not sure what 2% of the district's total expenditures can exceed that. Is that still in there somewhere?

**Chairman Kelsch:** It's out. The biggest reason is what the Senate intended to do and what they did was not clear. When we are seeing that where a school district has to pick up to that 4.5 times and then the state pick up the rest of it, it seems to me that language may not be necessary.

**Representative Mueller:** (Distributed proposed amendment 70120.0903. (Attached)). This would guarantee that no school gets less than $25.0 per year for the next 2 years. Small school districts all understand moving to equity but this will help them get from here to there. It would require $1.275 million which would reduce the per pupil payment across the board. He distributed the following: **(Attached.)**

1. A printout from DPI showing how this would affect every school in the state.
2. A list of the 59 schools impacted in year 1 and the 41 impacted in year 2.
3. Example of distributions for years 1 and 2.

**Representative Hunskor:** This would cost about $790.0 the first year and $497.0 the second year. The Commission has done an excellent job, but this has created some problems. Many schools are considering riffing teachers. There are 8000 kids in 57 schools that will be adversely impacted. Twenty six of those schools receive less than $5.0. These schools will run into significant problems. That's our plea to prevent these 8000 kids from having there education hampered while caught in the process.

**Representative Hanson:** 8000 is quite a few students; there must be some larger schools involved.

**Representatives Mueller and Hunskor will have their information and amendment reworked to present to the Committee. They will also present fiscal note changes.**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200**

**House Education Committee**

☐ Check here for Conference Committee

Hearing Date: **13 March 2007, 9 a.m.**

Recorder Job Number: **4941**

Committee Clerk Signature Jan Prindle

Minutes:

**Anita Thomas, Legislative Council, and Jerry Coleman, DPI, were in attendance to provide assistance with amendments.**

**Chairman Kelsch:** Let's work from our mark-up copy. What I'd like to do is walk through each of the sections and the sections that are amended I would like to take a voice vote or a roll call vote depending on the section and what the Committee chooses. Then at the end we will take up any other amendments and then vote on the bill as a whole.

The first is title cleanup language. It adds 8 new sections, it puts back in subsection 4, it puts back in the three sections code that deal with the teacher compensation payments, and it adds to the title "teacher compensation payments."

**Representative Herbel: I move we accept the title.**

**Representative Haas: I second.**

**Representative Mueller:** On line 17, we were supposed to do something with that—the reference to the appropriation?

**Chairman Kelsch:** Anita, the language to provide an appropriation is okay to leave in there even though we have taken out the two appropriations because it appropriates money out of the contingency fund?

**Thomas:** We already reference the contingent transfer so if you have no standard appropriation section then we would also amend that language out.

**Chairman Kelsch:** I have another question. Did Jerry (Coleman) prepare that? (Fiscal Note) If we remove that section, we remove $10.0 million from the bill. Where is this money accounted for? This is contingency dollars but it's included in the fiscal note. This is something I want cleared up.

**Representative Haas:** I thought we decided yesterday that was not contingency dollars.

**Chairman Kelsch:** It is not contingency; it is an appropriation of $10.0 million. If we say there is $80 million, because the $2.0 million is in the CTE budget bill, so there is $82.0 million of new dollars for education funding, is this $10.0 million part of that $82.0 million? Where is this $10.0 million floating around at?

**Representative Karls:** Is that the $10.0 in Section 52?

**Representative Haas:** I think we can solve this problem if we vote on section 54 first.

**Chairman Kelsch:** I understand that but my hesitation is, is it $82.0 million new dollars based on everything else we've done to this point? This $10.0 is for the next biennium, is it not included? If we delete that section does it drop down to $72.0 million? So before we do that we need an answer to that question.

**Representative Herbel withdrew his motion and Representative Haas withdrew his second.**

<u>Section 2: All day kindergarten.</u>

**Vice Chairman Meier**: I move **Section 2.**

**Representative Mueller: I second.**

**A voice vote was taken. Section 2 Amendment was accepted.** (Vote sheet 1)

Section 3: Remove language that was put in regarding at-risk kindergarten which is no longer needed because the full-day kindergarten language being added.

**Representative Mueller: I so move.**

**Representative Haas: I second.**

**A voice vote was taken. The amendment to Section 3 was accepted.** (Vote sheet 2)

Section 4 and 5: No change.

Section 6: Add in the September tenth fall enrollment report.

**Representative Herbel: I move we accept that.**

**Representative Wall: I second.**

**A voice vote was taken. The amendment to Section 6 was accepted** (Vote sheet 3)

Section 7: Delete lines 18-19. This deletes portion dealing with the weighted ADM and puts in new language regarding ELL and changes the special ed from .063 and would restore it to the way the bill was originally introduced. (.067)

**Representative Hunskor:** Did the amount of money put into ELL stay the same and it was just shifted to more of it goes to those with greater need?

**Chairman Kelsch:** Right. The money stays the same. That is a discussion we can have after we walk through here. During the last legislative session we put into the contingency line additional money for ELL students. If we would decide that is important we can add more money. We can probably increase the pot a little bit from where it currently stands. That may not be a bad idea and we've done that the last couple of sessions.

**Representative Mueller:** What are the dollars in ELL now?

**Chairman Kelsch:** It's $650.0.

**Vice Chairman Meier: I move Section 7.**

**Representative Myxter: I second.**

Section 8, 9: No change, Section 9 is fluid.

**Representative Mueller:** If we change the mineral and oil issue, is there some necessity to change these numbers too?

**Chairman Kelsch:** If we change them, these will change.

Section 10: Determines how the kindergarten payment will be determined.

**Representative Herbel: I move so.**

**Representative Sukat: I second.**

**A voice vote was taken and the amendment to Section 10 was accepted.** (Vote sheet 5)

Section 11, 12, 13, and 14: No change.

Section 15: is the imputed taxable valuation. This changes the 50% to 100%.

**Representative Solberg:** When I refer to "we" in my statement here, that means the school districts in the oil-producing counties. We've been more than fair with this issue. We agreed on the 50% and the structure that is needed when they explore or produce oil. At one time we were talking about even 25%, but we agreed to 50%. What we are saying is with 50% is that we will take half of our revenues that we get from oil and gas production and we're going to share 50% of those revenues with every school district in the state. We have agreed on that and we thought that was more than fair. Now we are saying that we are going to take all these revenues that we get from this production and we're going to share a 100% with every school district in the state. You all heard Lieutenant Governor Dalrymple on Tuesday. He said this would hurt the school districts in the oil producing counties if it goes to 100%. You all hear that. I was here and I heard it too. We've been so fair with this and we think we've been more than fair. Frankly, we should get it down to 25%. I respectfully request a roll call vote on this issue.

**Representative Herbel:** How would this be different if Grand Forks collects 50% of all sales tax in the state and says we're going to keep 75% of what is collected in our area? How would that be different?

**Representative Solberg:** It would be different because you are talking about sales tax throughout the state. We're talking about oil production. We stand the impact of what this production brings—the impact to our infrastructure and if we have to add more teachers or whatever else because of whatever comes in. I insist this is more than fair.

**Representative Herbel:** Don't you think that Fargo has to improve their infrastructure as well as Grand Forks and other places. I don't see it being a whole lot different. If you have equity, that's what has to happen.

**Representative Solberg:** This is not equity. The purpose of 2200 is to have equity in funding meaning everything that is included in funding. This is not equity. We are fortunate enough in the west to be in these oil producing counties why shouldn't we be able to get some benefits from this.

**Representative Haas:** I think there is still some misconception about what the imputed taxable value does. One thing that it does not do, it does not take one dollar of oil extraction tax or oil production tax or coal severance dollar. Not one dollar into the state and redistributes it to all the schools in the state. It doesn't take one dollar. All that money will still flow in to the county and directly to the school district—every single penny. What it does do is that since the oil production tax is in lieu of property taxes, it simply asks the question how much additional taxable value would you have to have to raise an equivalent amount of revenue. That's all it does. What it does to the counties and the school districts that receive oil revenue it raises their taxable value per pupil and those monies are then put into the formula. There is not any of the money taken away from the school districts and redistributed

at the state level. The second point I need to make on this issue is that we know that from all the examples that we have seen, that the formula works in all respects it works as far as equalizing resources and taking away the differences that exist because of differences in taxable value and because of differences in the ability of a school district to raise more or less money per pupil based on that taxable value. It does all of that. So what happens then as soon as we start to artificially manipulate one of the variables in the formula, we are going to disadvantage some people and advantage others. If we want to maintain the pure integrity of the formula it needs to be 100% because it would take that much taxable to raise the same amount of money that the school district is receiving from those resource revenues. By reducing to 75%, 50% or 25% we are exacerbating the inequities that automatically come when you artificially manipulate one of the variables in the formula. In my mind, that's wrong. I can support the 100%. It makes the formula fairer when you think about what the whole concept is trying to do.

**Representative Sukat:** I am in kind of the same position that Solberg is. I have had long visits with Brad Vetronal (?) who is the president of the oil producing counties. I understand where they are coming from. I keep back to the object of this formula and the object is equity. I am right where Representative Haas is at. I talk to the school board, with Warren Larson, and Warren will tell me if you go to 100% that's even more equitable. In the end, and I know that Brad and the oil producing counties would like us to stay at 50%, but when I went through what Representatives Hunskor and Mueller handed out yesterday the dollars that come out of the formula to oil producing counties and most of those counties are coming out pretty well right now. The ones that aren't fall into the category of their proposal. That's an issue to discuss later. I think we need move where we're headed with 100% because we are addressing equity. I may have constituents upset with me but I think when we get this put

together it's going to provide equity. I would have to support 100%. I think we have to move forward with the 100%.

**Representative Solberg:** It's apparent that there are many different ways to define equity. It depends on how you look at it. There wouldn't have been so many people so concerned about this issue if it was equitable. They wouldn't have gone out of their way and spent a lot of time and energy to study this issue and to bring it to the forefront if it was equitable to all. I can see that how you define equity. There are so many different versions of a definition of this word. I can see I'm losing this battle, but I'm not going to quit making noise about it.

**Representative Mueller:** I think Representative Sukat makes a pretty good point. When we are done with our work here it isn't done. I'm relative sure there will be a conference committee and I'm relatively sure this issue will be brought up again and generally the art of compromise, which we are required to practice around here more often than not, probably will something different than what we are going to send. My position, in deference to my good friend Representative Solberg, is that 100% does make sense especially at this stage of the game.

**Representative Hanson:** A lot of the oil country is owned by the state of ND and the federal government. If you are talking about equity, we own a part of that also.

**Representative Hunskor:** I'm from oil country. I understand everything that is said here. I understand, as I've said many times, we have to get to equity. That's the way this has to shape out at the end to be fair to all concerned. This bill is going to leave here and go to conference committee no doubt. It's going to pass this Committee that's very obvious from the discussion so I'll just have to see the way I vote. I know equity is important and yet we are supposed to vote to support your people back home.

**Chairman Kelsch:** A couple of people have hit the nail on the head. It's not over until it's over. One thing that I talked about yesterday is do you look at 75% the first year of the biennium and 100% the second year. That may be something in the art of compromise in the conference committee. I think there definitely will be three issues that will become the biggest part of the conference committee and this is one of them. I can guarantee that it's not over. I do know that this Committee has always stood firm and the House has stood firm on equity. In the past sessions we've passed out some very equitable ideas have necessarily gotten passed or through the art of compromise haven't been as equitable as the House would have liked.

**Representative Haas: I move the amendment (Page 14, line 29, change imputed taxable valuation from 50% to 100%)**

**Representative Herbel: I second**

**A voice vote was taken: Yes: 11, No: 2, Absent: 0. The amendment was accepted.**

(Vote sheet 6)

**Chairman Kelsch:** Representative Solberg, it's not over yet.

**Representative Solberg:** I know that. Thank you for listening.

Sections 15, 16, 17, 18, 19, 20, 21, 22: No changes.

Section 23:

**Representative Haas:** I brought this up because the final report from the Commission deviated from the formula in order to placate somebody someplace. It's another example where in my mind we artificially manipulated one of the variables in the formula in order to make somebody happy. I don't like that way of doing business so that's why I brought it up.

**Representative Mueller:** I don't disagree with Representative Haas, but we need to go back a little bit to the Commission's work. I saw that for the first time in the presentation. If you

remember I asked a question about that and I think what I heard them say was that as they did a lot of hard good work on this effort, they did have to deal a little bit with some of the realities and some of the issues that have to do with getting the bill passed eventually. I think what they were saying that there were just a few too many folks upset by 100% versus 75%. If we want to grease the skids at all in terms of getting this accomplished that was, in my mind, one of the provisions they felt they had to have in it. I am guessing there is a reason it is there and I guess the reason, I'm assuming, is to get this bill passed. I would reject any reason to change that. I think the Commission did a lot of pretty good work on it and there's a good reason it's in there.

**Representative Haas:** Representative Mueller is absolutely right and I have nothing but high respect for the work of the Commission and maybe this is another thing that could be considered as some type of escalator as we deliberate in conference committee or whatever.

**Chairman Kelsch:** We did talk about this and thought the .75 was probably the most fair across the board.

**Representative Herbel:** As you change these numbers, did it have a huge impact on the outcome.

**Chairman Kelsch:** It really did. I have to commend Jerry Coleman and DPI as they were very responsive to any changes we were making so we could see what the impact was.

**Representative Hunskor:** Is there a number of schools that would be affected by this?

**Coleman:** It would impact anyone that was over 150% of imputed taxable valuation. There are quite a few.

**Representative Karls:** So does this give people heartburn?

**Chairman Kelsch:** Just Representative Haas. So this Section 23 can be a conversation we have another day.

Section 24: Adds in the kindergarten language to the calculation of ADM. In line 27, kindergarten would be counted as a .50 and then after that we would put in the calculations for all-day kindergarten and they would be counted as a 1.0. Page 23, line 1, add "as defined by the superintendent of public instruction,"

**Representative Herbel: I Move Section 24.**

**Representative Haas: I second.**

**A voice vote was taken. The amendment to Section 24 was adopted.** (Vote sheet 7)

Sections 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36: No change.

Section 37: Change line 17 to delete "per student payments" with "students—Contracts for Placement".

**Representative Haas: I so move.**

**Representative Herbel: I second.**

**A voice vote was taken. The amendment was accepted.** (Vote sheet 8)

Sections 38, 39: No change.

Section 40: Cleans up the language where we moved back the language from what the Senate put in special education.

**Representative Mueller: I move the amendments.**

**Representative Hunskor: I second.**

**A voice vote was taken. The amendment was accepted.** (Vote sheet 9)

Sections 41, 42, 43, 44: No change.

Section 45: Adds in the definition of the new immigrant English Language Learner and deletes the other language related to ELL.

**Representative Herbel: I so move.**

**Representative Haas: I second.**

**A voice vote was taken. The amendment was adopted.** (Vote sheet 10)

Sections 46: No change.

Section 47: Adds in new language to allow for reimbursement for expenses.

**Representative Johnson: I Move the Amendment.**

**Representative Wall: I second.**

**A voice vote was taken. The amendment was adopted.** (Vote sheet 11)

Sections 48 & 49: No change.

Section 50: Repeal of the main census.

**Vice Chairman Meier: I Move the Amendment.**

**Representative Hanson: I second.**

**A voice vote was taken. The amendment was adopted.** (Vote sheet 12)

Section 51: (The repealers) Adds in the section of code regarding teacher compensation.

**Representative Herbel: I so Move.**

**Representative Myxter: I second.**

**Representative Wall:** Only for a point of clarification. How do we now compute teacher compensation if we repeal it here.

**Chairman Kelsch:** It goes into the big fund and then goes out exactly the same way on the ADM. The 70% is different.

**A voice vote was taken. The amendment carried.** (Vote sheet 13)

Section 51 and 52 remove the appropriation language and is replaced by the language in the new Section 53.

**Representative Herbel: I so Move.**

**Representative Wall: I second.**

**A voice vote was taken. The amendment carried.** (Vote sheet 14)

**Chairman Kelsch:** You have some things to ponder when we come back in at 11 a.m. Jerry (Coleman), the $10.0 million dollars—you have a $14.0 million fiscal note. Is that included in the $82.0 million?

**Coleman:** It's not in the $82.0 million; it's an appropriation in the bill and not in our budget.

**Chairman Kelsch:** This $10.0 million is for the next biennium. Where is that showing up at?

**Coleman:** It should be in appropriation bill for tracking purposes. (Unable to hear responses.)

**Adjourned to 11 a.m.**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200**

**House Education Committee**

☐ Check here for Conference Committee

Hearing Date: **13 March 2007, 11 a.m.**

Recorder Job Number: **4957**

Committee Clerk Signature Jan Lindee

Minutes:

**Chairman Kelsch called the House Education Committee back to order.**

Being we are still on the main part of the bill itself, what are the wishes of the Committee on Section 54?

Section 54: Deferred Maintenance.

**Representative Haas: I Move we Delete Section 54.**

**Representative Wall: I second.**

**Chairman Kelsch:** One of the concerns I have is that there is $10.0 million additional that would be spent in the biennium for deferred maintenance. I would worry that if we come in for the next session we need money for adequacy and they would deduct that $10.0 from what we need. In my mind I'd rather have the $10.0 strait up for this biennium in the funding formula itself or to keep that so that we have the money in the next go around for adequacy.

**Representative Mueller:** I agree with that 100%. I should probably like this because it pops up another $20.0 for every school in the state, but I think that's the wrong way to do that. I would agree with the recommendation to take that out.

**Representative Herbel:** I agree--rather than put it into buildings that may not be open in five years.

**A voice vote was taken. The amendment was adopted.** (Vote sheet 15)

**Representative Johnson:** This amendment we have from Representatives Hunskor and Mueller, does it take into consideration the reports that we have had on the different schools here and the status they are right now? The way this printout reads, some are not schools anymore.

**Representative Mueller:** We have asked Jerry (Coleman) to provide that information.

**Coleman:** Last night I reworked these numbers and reworked them again this morning. They are in a rough fashion. The information I gave you yesterday was based on what we have been using for the initial projections for SB 2200. We're getting to the stage where we are going to update those numbers to what we are projecting to the next biennium so those numbers include enrollment declines. As we are projecting declines, many school districts will have reduced funding in the second year. That's the impact the way this $25.0 minimum is going to impact the cost of that. I went through it roughly based on some assumptions and what I'm using is the preliminary projections that we are going to be using into the next year and I think that's what we'll be finalizing. We will use this year's fall enrollment and then use the Cohert Survival Method to project enrollment decline into the second year. I also measured the changes from the base year. This impacts the numbers I'm going to tell you about here. It will have an impact of about $10 on the base per student payment rate for all kids. I took a look at the anticipated reorganization adjusting for them and that would decrease these amounts by about $160.0 for the two years. The impact of this is about $2.0 million that would get redistributed to fund this amendment.

**Chairman Kelsch:** So it went up?

**Coleman:** Yes, and the reason it went up was because we are now taking in consideration the enrollment declines that we expect. Districts are not held harmless for enrollment declines in the second year. In the first year the 2% minimum that school districts will be getting will be

based on the funding they got for the current school year. The absolute dollars is where we are establishing their base line. The second year is a baseline funding per students so if they lose students in that second year they will lose state funding.

**Chairman Kelsch:** The reduction for the PPP will that be $10 for the first year and $10 for the second year?

**Coleman:** It was slightly under $10 for the first year and around $12 for the second year. Naturally all these could change based on the variables that we have in the formula and how they change. I based it from the condition of the bill once we got it from Senate.

**Chairman Kelsch:** So it would not include the imputed taxable valuation of oil and gas at 100%.

**Coleman:** Yes, and that will have an impact.

**Representative Mueller:** I think the important part of what our discussion revolved about is that in none of the runs do they take this second year of declining enrollment in consideration. Jerry appropriately took that into consideration. That's an interesting phenomenon—these runs we have do not deal with declining enrollment in that second year. So they are all a little bit one way or the other, wrong. The second year has an interesting entry in Representative Hunskor's area. The school at Bottineau is on the list in the second year. It's not on the first year because they were in excess of $25.0. Because of enrollment issues in Bottineau, they are going to be required to find about $88.0 in the second year of this plan simply to get them to a $25.0 position. That school and many others have a major impact and that's why we are seeing a fairly dramatic change in the number of dollars it requires to get them to $25.0 over the base year.

**Representative Hunskor:** According to the printout before this one, they were to receive roughly $150.0 and now they would have to get $87.0 to get up to $25.0. So they went downhill $230.0?

**Coleman:** When you change them from the base year, they have that $62.0 loss and to insure they get the additional $25.0, it would require $88.0. If you guarantee them a minimum of $25.0 increase from the base year in the second year it would require $87,800. What we are talking about is changes in funding. In that second year compared to what they got the first year, they get $62.0 less. If we wanted to make sure that they got at least $25.0 increase in state aid in the second year we would have to add the two to make that number. You would have to make up that negative.

**Representative Mueller:** They have two years of significantly declining enrollment.

**Representative Wall:** Am I reading this correctly? There general fund levies are 145 mils.

**Coleman:** That would be the general fund levy for this current school year.

**Representative Haas:** What base year do you have? This school year?

**Coleman:** Yes. It would be the projected state aid they are getting this school year. As we go forward with the formula there is a 2% minimum and 7% that school districts can get to control the amount of increases. That's all measured with that base year funding. That is a baseline per student. It will set one time and they will then keep that in terms of funding going forward.

**Representative Haas:** A comment concerning declining enrollment. The Commission formula was never intended to address declining enrollment. That was made abundantly clear in all the discussions and presentations that we ever had. The 2% related to the PPP. Several of the presenters said that declining enrollment has to be addressed at the local level. That was made very clear by the Commission.

**Chairman Kelsch:** The declining enrollment issue does not address equity. The bill was crafted to address equity.

**Representative Mueller:** If there was no consideration intended for declining enrollment, why do we have 102%?

**Chairman Kelsch:** We felt it was important to have a hold harmless in there for those school districts so that we did not have unintended consequences of putting the new formula in. We wanted school districts to receive at least 2% additional per pupil just to ease into the formula. We did not want to shut school districts. From the very beginning we were talking about hold harmless in some aspect.

**Representative Hunskor:** I remember listening to a radio/TV program years ago and how they used to say, "What a revolting development this is." I guess my thoughts would be, and I guess Representative Mueller would agree with me, that this is just throwing another cog into the wheel and as we said many times equity has got to be addressed but we have put smaller schools in a problem to deliver an adequate education. I guess that we would ask the Committee if they would consider in Section 26 the amendment dropping out number 2, which would be the 2nd year. That's where the big hit is. Jerry, you have the first year calculated as what?

**Coleman:** About $900.0

**Chairman Kelsch:** Yesterday you had it at $790.0 but will those number change at all with us going to the 100% imputed?

**Coleman:** They will change a little bit. How that will work I'm actually not sure. Hopefully it would not be that volatile and be right around $900.0

**Chairman Kelsch:** How much would that the PPP the first year?

**Coleman:** We will be spreading it out over 106,000 weighted pupil units so it would be $9.

**Representative Mueller:** You made reference to that if there is more money into the system which 100% of the mineral and oil would certainly do, how could any one end up receiving less money to the point where they would come into to the $25.0 provision. I could see that some would leave it, but how could any be dropped back if they are not currently there.

**Coleman:** The amount of money we are putting into the formula is fixed. When we change the variables we are still distributing the same amount of money and we are just adjusting the mechanisms to distribute that so when we make a change, everything within the formula changes. Some districts will get more, some will get less. The bottom line will remain the same.

**Representative Mueller:** Are you ready for a motion.

**Chairman Kelsch:** I didn't realize that both Representative Herbel and Representative Meier had appointments at 11:30, but both of them asked that they could be here for any voting on the bill.

**Representative Wall:** Representative Hunskor would you be open to any kind of further amendments that we do this at $25.0 and it only go to schools that are currently levying 170 mils?

**Representative Mueller:** Twenty or twenty one of mil levies of these schools general fund mil levies that you have before us, are either at 185 or in excess of 185. I think we would be interested in considering it.

**Representative Hunskor:** I suppose entering the mix is the length of time. If there is a cap on how much you can go up each year and how long it will take to get to level. That would enter into the mix.

**Chairman Kelsch:** There was another amendment passed out to you. What this does is if a K-8 district goes to K-6 district, and it would also affect K-12 going to K-8 or K-6, the average

ADM calculated using only those that the district offers during the current school year so that you're not getting paid on grade levels you don't have.

**Tom Decker, DPI:** We don't allow K-12 to become K-8. They go out of business. It would also impact districts that are in a non operating year. This is the way it is now so it's not a change.

**Chairman Kelsch:** If a K-8 goes to K-6, how do they receive their funding?

**Coleman:** The formula right now pays on the higher level of two years, so we look at the last year's ADM. I actually believe it is implemented for 7th and 8th. That would be the intent of the language. The idea behind this amendment is that we're funding this current payment year, we're using last year's numbers to do that and if they are not providing those grade level services they should not be getting funding.

**Chairman Kelsch:** We'll have these two amendments to vote on after we come back from the floor session.

**Adjourned to the Call of the Chair.**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200**

**House Education Committee**

☐ Check here for Conference Committee

Hearing Date: **13 March 2007, 3 p.m.**

Recorder Job Number: **5002**

| Committee Clerk Signature |
|---|

Minutes:

**Jerry Coleman, DPI, attended to provide information to the Committee.**

**Chairman Kelsch opened discussion of SB 2200.** We have two amendments that we discussed: 0903 and 0907. Jerry (Coleman), there is $1.0 million in the DPI budget bill (SB 2013) for JPAs.

**Coleman:** SB 2013 originally had $2.0 million and the Senate removed that. The funding for JPAs is in SB 2200 at $2.0 million.

**Chairman Kelsch:** So there is $2.0 million and $1.0 million in contingency dollars. I just wanted to make sure I was clear about that.

Let's take up amendment .0907 first. What this does is that if you go from a K-8 district to K-6 district, you would only get the funding for those students that you have the grade levels for. In other words, you will not get counted for 7 & 8.

**Representative Haas: I Move the Amendment.**

**Representative Sukat: I second.**

**A voice vote was taken. The amendment was adopted.**

**Chairman Kelsch:** Now we have .0903 before us. The way I understand this proposal is subsection 2 would come out.

**Representative Mueller: I move the Amended (delete section 2) version (70120.0903)**

**Representative Myxter: I second it.**

**Chairman Kelsch:** What this would do is would decrease the PPP by $9. in the first year. It would have a fiscal effect of $900.0. That's based on the Senate version that doesn't have 100% imputed taxable valuation and does not have the FTE money in there.

**Representative Mueller:** That's correct and until such time that we know exactly how that runs out, it's pretty hard to make the determination. I think it is fairly clear that this group of schools because of their circumstances be it high property evaluation or other deducts, there are still going to be schools that less than $25.0 that first year. The way the amendment reads if there are changes in the formula that put them over $25.0, they're not in the hunt any more anyway. I think regardless of what happens to the funding level in the imputed values, I would tend to think it would cut down on the $25.0 schools. I don't know that. The intent would still be applicable regardless of what we end up doing with 2200 in the previous amendments we have adopted.

**Representative Hunskor:** Representative Wall and Representative Johnson brought up some issues this morning and I wonder if they have concerns. If so, we should address those.

**Chairman Kelsch:** There were two things that came up. Representative Haas said if they were going to take the money that they would need to dissolve or reorganize. The other thought that came up from Representative Wall was that they had to be at or over 170 mil.

**Representative Haas:** If the proponents of this amendment would agree to further amend and say that any school district with an enrollment of 125 or less K – 12, they would have to agree to dissolve or reorganize within 2 years if they take the money. If they do this, I will vote for it.

**Representative Hanson:** There are 40 schools that get $10.0 or less. What good is it? $10.0 isn't going to save anybody.

**Representative Hunskor:** There's a number that are getting $2, $3, $4, and $5.0. That extra $23.0 makes a lot of difference is a small school system.

**Chairman Kelsch:** With no disrespect to Representative Mueller or Representative Hunskor, I am going to resist the amendment for a couple of reasons. I'm concerned about moving away from equity. I understand totally and completely what you are trying to do. The other thing is if this becomes an issue that we need to address, I almost feel that we should have it as a tool. I am therefore going to resist the motion to adopt this amendment.

**Representative Hunskor:** Representative Wall asked how we felt if the schools had to raise to 170 mils. All of those schools know the handwriting is on the wall and they have no problem with the idea that they have to get to 170 mil. Many were over that and many were not. There was one school, Glenburn, that's in a reorganization hassle. They're not sure how land is going to get shifted and they are not sure about their base level. If they didn't then they would miss out whatever they could get which was only $4.0. There were a couple of schools that said they were going to get there as fast as the law will allow us to. So if you want to put that mil thing in there we have no problem with it.

**Representative Mueller:** I would concur with that. That could be fairly simply be done by adding letter "c" under number 4. A couple of things Madam Chair, as you well know your Committee generally follows your lead. But if they do that in this instance, the tool that you referenced is not there anymore. The other thing I would like to mention is that we have a couple of tax bills out there and if either of those become law, schools like the ones we are talking about here are faced with a maximum of 5% or 3.5% increase in dollars. I see a major train wreck shaping up here if either of those bills passes. If we don't address in a small way the first year transition to another way of doing business, we're effectively going to shut them

down anyway with the passage of our property tax bill. You know how I'm going to vote and I will leave it at that.

**Representative Hunskor:** If we can get this passed and help those kids in these schools to get the education they need and the conference committee will have to do what they want to. It will be out of our hands at least the opportunity will be there for that to happen.

**Representative Wall:** I won't go over it. I've had for a long time Representative Mueller's concerns and we're going to box these schools in if either of the tax bills goes through. In my estimation we have to do something for these schools. I would like to attach an amendment with the mil levy because I think that will make the blow less. It won't be as expensive to get them through the first years so they can sort things out. We're one year closer to the next session where they have to address 2200, they can. If we pass it without giving them anything, I think we are, especially if either tax bill goes through as written, we have effectively shut down a lot of schools. I don't want to do that. I don't think there is much fair warning. I don't think we are talking major dollars. I have to support this because I think it's the right thing to do. If it hits the conference committee maybe it will gone. If we don't take the mil levy into consideration, the schools that really need it have no where else to go. This way they would have a year to figure it out.

**Chairman Kelsch:** Are you offering an amendment for the 170 mils?

**Representative Wall:** I'm just tossing it out there.

**A roll call vote was taken on the Do Pass of Amendment 70120.0903.**

**Yes: 6, No: 7, Absent: 0. The amendment Failed.**

**Chairman Kelsch:** I would like to offer up in the Contingency area, that we make a new "3" (Section 55, page 48) and that would be to put $450.0 for ELL. That would be keeping with the rate we have done in the past. Otherwise they will be short $450.0.

**Vice Chairman Meier: I Move the Amendment.**

**Representative Karls: I second.**

**A voice vote was taken. The Amendment was Accepted.**

**Chairman Kelsch:** At this point we should be ready to go with the bill with all of the amendments. I ask for a motion on SB 2200.

**Representative Herbel: I move Do Pass as Amended and Rerefer to Appropriations.**

**Representative Johnson: I Second.**

**A roll call vote was taken: Yes: 12, No: 1, Absent: 0.**

**Chairman Kelsch will carry the bill.**

**Representative Hunskor:** I want to thank the Committee for considering Representative Mueller's and my thoughts. We appreciate your patience with us.

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200**

**House Education Committee**

☐ Check here for Conference Committee

Hearing Date: **27 March 2007**

Recorder Job Number: **5579**

Committee Clerk Signature Jan Thundle

Minutes:

**Chairman Kelsch updated the Committee on the status of SB 2200.** $2.0 million was removed from the bill and originally put in to SB 2013 and now $2.0 million is taken from the contingency line item from the last biennium.

There was motion to try to remove the $2.0 million for all day kindergarten and that motion failed; however, that motion will be divided on the floor. There will be a minority and majority report. I believe there were only two votes against all day kindergarten. That is a good component of the bill.

The other major issue was moving the imputation 100% to 75%. Your chairman has a very large heartburn and it has nothing to do with my personal feeling on the imputed taxable value, it has to do with the fact that Appropriations was messing with policy. I am not sure who determined that they have more wisdom than the House Education Committee to determine what level that imputation should be at.

I wanted to know what the feelings of the Committee are. I know what the feelings of Representative Solberg are as far as the imputation, but in the concern that the policy should be here and not in appropriations. I did not attend the discussion on those bills for a reason but I did know what was going on the whole time.

**Representative Herbel:** Are you suggesting then that when . . .

**Chairman Kelsch:** Those amendments have to come up before the whole house. There is a possibility that the amendments might be changed.

**Representative Herbel:** Those need to be changed before it gets to the floor.

**Chairman Kelsch:** My biggest concern is that this policy committee voted 12 – 1 in support of SB 2200 and that says we believe the 100% is the right thing to do because we believe in equity. My concern is that now essentially there is no wiggle room in conference.

**Representative Solberg:** I understand your comments. This issue will be dealt with in conference committee.

**Chairman Kelsch:** That's my concern. Maybe we would have ultimately gone to 75% but at this point we don't have a whole lot going in to conference. We are definitely at a disadvantage if it drops to 75% now.

**Representative Haas:** From the procedural standpoint, do we need to defeat the amendment. It is separate. Do we want to keep any other amendments that appropriations put on there?

**Representative Hanson:** Are they separate or will we have one vote on all of it.

**Chairman Kelsch:** The way I understand it is they are dividing out all day kindergarten. So that would be a divided out amendment. And, it's whether or not we want to divide out the amendment for the imputation. That's the question and I have not resolved that question in my head yet and that's why I bring it to you Committee members.

**Representative Hanson:** Like you said, they shouldn't be messing with the policy part in appropriations. They are involved just in funding.

**Representative Mueller:** I certainly agree. I think we all understood how that was probably going to work when we went into conference committee and had a major tool at our disposal. I think we want to examine the possibility of a minority report in terms of a floor presentation.

I'm not so sure that 75% wouldn't be the one that passes. If that gets to be the vote and I'm guessing the floor may support 75%, which diminishes the conference committee a little more. If we want something more and our house floor has indicated 75%, that puts us in a box in conference.

**Chairman Kelsch:** Quite frankly if you are doing the right thing for equity, the majority would vote for 100%.

**Vice Chairman Meier:** When dropping it down from 100% to 75%, how much money are we talking about?

**Chairman Kelsch:** What happens is with the imputation going from 100% to 75%, is that now you are only using 75% of the oil, gas and mineral monies that come in to those school districts. So you are only counting 75% of that revenue and what that means is the other 25% difference is made up by the state. Other school districts that don't have that wealth coming in to their district would receive less money because the oil, gas and mineral schools would receive that bump from the state. That's where the difference lies.

**Representative Hanson:** Do you have any idea when it's coming to the floor? Is it out of committee?

**Chairman Kelsch:** I don't. They voted on it last night but they don't have the amendments done and it's probably the earliest it will be there is maybe tomorrow or maybe Thursday.

**Representative Mueller:** Going back to the difference. I imagine one could go back to PPP and actually establish if it is $10, $15 less. Do we have any data like that?

**Chairman Kelsch:** (To Tom Decker) Could Jerry (Coleman) do that?

**Decker nods head, indicating yes.**

**Representative Herbel:** If they keep a percentage of the revenue and then you would reduce the payment based on that amount?

**Representative Mueller:** What we do is reduce it to everybody. That's what it amounts to. Everybody has that much less in PPP.

**Representative Hunskor:** Just so the record is clear. I did vote for the bill but I did not vote for the amendment.

**Chairman Kelsch:** But you did vote for the bill.

**Representative Hunskor:** I am still not for the 100% or the 75%, but I'm outnumbered.

**Chairman Kelsch:** I just wanted to get you updated and I will keep you posted.

**Representative Mueller:** We have to pass this before the Senate gets a chance to not concur?

**Chairman Kelsch:** Right. With that we will adjourn.

70120.0903
Title.

Prepared by the ~~Legislative Council~~ staff for
Representatives Mueller and Hunskor
March 1, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

Page 1, line 1, replace "seven" with "eight"

Page 1, line 17, after "appropriations" insert "; to provide an expiration date"

Page 23, after line 20, insert:

"**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental payment.**

1. Notwithstanding any other law, if the amount of state aid payable to a school district during the 2007-08 school year does not exceed the amount received by the district during the 2006-07 school year by at least twenty-five thousand dollars, the superintendent shall forward to the school district the amount necessary to ensure that the district receives an increase of twenty-five thousand dollars in state aid payments between the 2006-07 school year and the 2007-08 school year.

2. Notwithstanding any other law, if the amount of state aid payable to a school district during the 2008-09 school year does not exceed the amount received by the district during the 2006-07 school year by at least twenty-five thousand dollars, the superintendent shall forward to the school district the amount necessary to ensure that the district receives an increase of twenty-five thousand dollars in state aid payments between the 2006-07 school year and the 2008-09 school year.

3. The superintendent shall estimate the amount payable to each school district under this section and pay a proportionate amount at the same time and in the same manner as other state aid payments.

4. This section does not apply to any school district:

   a. That has fewer than thirty students in average daily membership; or

   b. That is not entitled to receive any state aid as a result of having an ending fund balance in excess of that permitted by section 25."

Page 48, after line 26, insert:

"**SECTION 57. EXPIRATION DATE.** Section 26 of this Act is effective through June 30, 2009, and after that date is ineffective."

Page 48, line 27, replace "46" with "47"

Renumber accordingly

* These are amendments voted on section by section

70120.0906
Title.

Prepared by the Legislative Council staff for
Representative R. Kelsch
March 12, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

Page 1, line 1, replace "a new section to chapter 15.1-22, seven" with "eight"

Page 1, line 4, after "15.1-02-09" insert ", subsection 4 of section 15.1-06-04"

Page 1, line 11, remove "and" and after "15.1-27-32" insert ", 15.1-27-36, 15.1-27-37, and 15.1-27-38"

Page 1, line 13, remove "and"

Page 1, line 14, after "valuations" insert ", and teacher compensation payments"

Page 2, after line 14, insert:

"**SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. ~~A~~ During the 2007-08 school year, a full day of instruction consists of:

   ~~a.~~ (1) At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

   ~~b.~~ (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

   b. Beginning with the 2008-09 school year, a full day of instruction consists of:

      (1) At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

      (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction."

Page 2, remove lines 24 through 31

Page 3, remove lines 1 through 5

Page 4, line 22, remove "and"

Page 4, line 23, remove the overstrike over "~~The September tenth fall enrollment report~~" and after the overstruck period insert "; and"

Page 4, line 24, remove the overstrike over "~~d.~~"

Page 5, remove lines 11 and 12

Page 5, line 13, replace "f." with "e."

Page 5, line 14, replace "g." with "f."

Page 5, line 15, replace "h." with "g."

Page 5, remove lines 16 and 17

Page 5, line 18, replace "j." with "h."

Page 5, line 20, replace "k." with "i."

Page 5, line 22, replace "l." with "j."

Page 5, line 23, remove "and"

Page 5, after line 23, insert:

"k. 0.14 the number of students enrolled in a new immigrant English language learner program;"

Page 5, line 24, replace "m." with "l." and replace "0.063" with "0.067"

Page 5, line 25, replace the underscored period with "; and"

Page 5, after line 25, insert:

"m. 0.02 the number of students, other than those provided for in subdivision h, who are enrolled in an English language learner program."

Page 8, after line 20, insert:

"**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Kindergarten payments - Determination.** Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count."

Page 14, line 29, remove "fifty percent of"

Page 22, line 27, replace "A" with "During the 2007-08 school year, a"

Page 22, line 28, after the underscored period insert "Beginning with the 2008-09 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00."

Page 23, line 1, after "time" insert ", as defined by the superintendent of public instruction,"

Page 32, line 17, overstrike "**per student payments**" and insert immediately thereafter "**students - Contracts for placement**"

Page 36, line 7, replace "For the 2007-09 biennium, "excess" with ""Excess" and replace "three" with "four"

Page 36, line 9, remove "For the"

Page 36, remove lines 10 through 15

Page 36, line 16, replace "Except as provided in subsection 5, all" with "All"

Page 36, remove lines 20 through 24

Page 40, replace lines 28 and 29 with:

"**New immigrant English language learner - Definition.** A new immigrant English language learner is an English language learner who was not born in the United States and has not attended school in the United States for more than three school years or the monthly equivalent of three school years."

Page 41, remove lines 1 through 8

Page 42, line 29, after "**COUNCIL**" insert "**- REIMBURSEMENT FOR EXPENSES**"

Page 43, after line 30, insert:

"3. The members of the commission are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials. The superintendent of public instruction shall use up to $40,000 from moneys appropriated in the grants - state school aid line item in section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, to provide the reimbursements."

Page 44, line 1, replace "3." with "4."

Page 44, line 7, replace "4." with "5."

Page 45, after line 19, insert:

"**SECTION 50. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed."

Page 45, line 20, remove "15.1-09-46,"

Page 45, line 21, remove "and" and after "15.1-27-32" insert ", 15.1-27-36, 15.1-27-37, and 15.1-27-38"

Page 46, replace lines 6 through 28 with:

"**SECTION 53. AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS - COST-SHARE INCENTIVES.**

1. The state board for career and technical education shall use $1,200,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to award grants for the purpose of assisting with the establishment of at least two new area career and technology centers in areas of the state that, as of July 1, 2007, are not served by an existing center. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a number of students who will be served and to alignment of the proposed area career and technology center with existing educational associations governed by joint powers agreements.

2. The state board for career and technical education shall use $800,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to increase cost-share incentives for area career and technology centers."

Page 48, line 13, replace "The superintendent of public instruction shall use" with "Use"

Page 48, line 27, replace "Section 46" with "Sections 47 and 50" and replace "is" with "are"

Renumber accordingly

Date: 13 Mar 07

Roll Call Vote #:

**2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** 2200

## House Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Accept changes in little section

Motion Made By Herbel Seconded By Haas

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Kelsch | | | Rep Hanson | | |
| V Chairman Meier | | | Rep Hunskor | | |
| Rep Haas | | | Rep Mueller | | |
| Rep Herbel | | | Rep Myxter | | |
| Rep Johnson | | | Rep Solberg | | |
| Rep Karls | | | | | |
| Rep Sukut | | | | | |
| Rep Wall | | | | | |
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Withdrawn

Total **Yes** **No**

**Absent**

**Floor Assignment**

If the vote is on an amendment, briefly indicate intent:

Little changes on mark up copy provided by Anita Thomas

Date: 13 Mar 07
Roll Call Vote #: 1

**2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** 2200

## House Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Approve sect 2 / Amendments

Motion Made By Meier Seconded By Mueller

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Kelsch | | | Rep Hanson | | |
| V Chairman Meier | | | Rep Hunskor | | |
| Rep Haas | | | Rep Mueller | | |
| Rep Herbel | | | Rep Myxter | | |
| Rep Johnson | | | Rep Solberg | | |
| Rep Karls | | | | | |
| Rep Sukut | | | | | |
| Rep Wall | | | | | |
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Total **Yes** **No**

**Absent**

**Floor Assignment**

If the vote is on an amendment, briefly indicate intent:

Carried

Prepared by the Legislative Council staff for
Representative R. Kelsch
March 13, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

Page 1, line 1, replace "seven" with "eight"

Page 23, after line 3, insert:

"**SECTION 24.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Reduction in grade levels.** If a school district offers fewer grade levels than the district offered the previous school year, the superintendent of public instruction shall determine the district's average daily membership using only those grade levels that the district offers during the current school year."

Page 48, line 27, replace "46" with "47"

Renumber accordingly

Date: 13 Mar 07
Roll Call Vote #:

**2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** 2200

## House Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0907

Action Taken Amend as above

Motion Made By Haas Seconded By Sukut

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Kelsch | | | Rep Hanson | | |
| V Chairman Meier | - | | Rep Hunskor | | |
| Rep Haas | | | Rep Mueller | | |
| Rep Herbel | | | Rep Myxter | | |
| Rep Johnson | | | Rep Solberg | | |
| Rep Karls | | | | | |
| Rep Sukut | | | | | |
| Rep Wall | | | | | |
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Voice

Total **Yes** **No**

**Absent**

**Floor Assignment**

If the vote is on an amendment, briefly indicate intent:

Accepted

70120.0903
Title.

Prepared by the Legislative Council staff for
Representatives Mueller and Hunskor
March 1, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

Page 1, line 1, replace "seven" with "eight"

Page 1, line 17, after "appropriations" insert "; to provide an expiration date"

Page 23, after line 20, insert:

"**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental payment.**

1. Notwithstanding any other law, if the amount of state aid payable to a school district during the 2007-08 school year does not exceed the amount received by the district during the 2006-07 school year by at least twenty-five thousand dollars, the superintendent shall forward to the school district the amount necessary to ensure that the district receives an increase of twenty-five thousand dollars in state aid payments between the 2006-07 school year and the 2007-08 school year.

2. Notwithstanding any other law, if the amount of state aid payable to a school district during the 2008-09 school year does not exceed the amount received by the district during the 2006-07 school year by at least twenty-five thousand dollars, the superintendent shall forward to the school district the amount necessary to ensure that the district receives an increase of twenty-five thousand dollars in state aid payments between the 2006-07 school year and the 2008-09 school year.

3. The superintendent shall estimate the amount payable to each school district under this section and pay a proportionate amount at the same time and in the same manner as other state aid payments.

4. This section does not apply to any school district:

   a. That has fewer than thirty students in average daily membership; or

   b. That is not entitled to receive any state aid as a result of having an ending fund balance in excess of that permitted by section 25."

Page 48, after line 26, insert:

"**SECTION 57. EXPIRATION DATE.** Section 26 of this Act is effective through June 30, 2009, and after that date is ineffective."

Page 48, line 27, replace "46" with "47"

Renumber accordingly

Date: 13 Mar 07
Roll Call Vote #:

**2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** 2200

**House Education Committee**

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0903

Action Taken Do Attached Delete 2

Motion Made By Mueller Seconded By Myxter

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Kelsch | | ✓ | Rep Hanson | | ✓ |
| V Chairman Meier | | ✓ | Rep Hunskor | ✓ | |
| Rep Haas | | ✓ | Rep Mueller | ✓ | |
| Rep Herbel | | ✓ | Rep Myxter | ✓ | |
| Rep Johnson | ✓ | | Rep Solberg | ✓ | |
| Rep Karls | | ✓ | | | |
| Rep Sukut | | ✓ | | | |
| Rep Wall | ✓ | | | | |
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Total **Yes** 6 **No** 7

**Absent**

**Floor Assignment**

If the vote is on an amendment, briefly indicate intent:

Do as attached but delete sub section 2 + renumber

Date: 13 Mar. 07
Roll Call Vote #: ____

**2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** 2200

## House Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Amend as below

Action Taken Add $50.0 for ELL

Motion Made By Meier Seconded By Karls

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Kelsch | | | Rep Hanson | | |
| V Chairman Meier | | | Rep Hunskor | | |
| Rep Haas | | | Rep Mueller | | |
| Rep Herbel | | | Rep Myxter | | |
| Rep Johnson | | | Rep Solberg | | |
| Rep Karls | Voice | | | | |
| Rep Sukut | | | | | |
| Rep Wall | | | | | |
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Total **Yes** ____ **No** ____

**Absent** ____

**Floor Assignment** ____

If the vote is on an amendment, briefly indicate intent:

Add $50.0 for ELL

Section 55

Carried

Date: 13 Mar 07
Roll Call Vote #:

**2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** 2200

## House Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass as Amended + refer to Appropriations

Motion Made By Herbel Seconded By Johnson

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Kelsch | ✓ | | Rep Hanson | ✓ | |
| V Chairman Meier | ✓ | | Rep Hunskor | ✓ | |
| Rep Haas | ✓ | | Rep Mueller | ✓ | |
| Rep Herbel | ✓ | | Rep Myxter | ✓ | |
| Rep Johnson | ✓ | | Rep Solberg | | ✓ |
| Rep Karls | ✓ | | | | |
| Rep Sukut | ✓ | | | | |
| Rep Wall | ✓ | | | | |
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Total **Yes** 12 **No** 1

**Absent** 0

**Floor Assignment** Kelsch

If the vote is on an amendment, briefly indicate intent:

## REPORT OF STANDING COMMITTEE

**SB 2200, as engrossed: Education Committee (Rep. R. Kelsch, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed SB 2200 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "a new section to chapter 15.1-22, seven" with "nine"

Page 1, line 4, after "15.1-02-09" insert ", subsection 4 of section 15.1-06-04"

Page 1, line 11, remove "and" and after "15.1-27-32" insert ", 15.1-27-36, 15.1-27-37, and 15.1-27-38"

Page 1, line 13, remove "and"

Page 1, line 14, after "valuations" insert ", and teacher compensation payments"

Page 1, line 17, replace "appropriations" with "an appropriation"

Page 2, after line 14, insert:

"**SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. ~~A~~ During the 2007-08 school year, a full day of instruction consists of:

   ~~a.~~ (1) At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

   ~~b.~~ (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

   b. Beginning with the 2008-09 school year, a full day of instruction consists of:

      (1) At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

      (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction."

Page 2, remove lines 24 through 31

Page 3, remove lines 1 through 5

Page 4, line 22, remove "and"

Page 4, line 23, remove the overstrike over "~~The September tenth fall enrollment report~~" and after the overstruck period insert "; and"

Page 4, line 24, remove the overstrike over "~~d.~~"

Page 5, remove lines 11 and 12

Page 5, line 13, replace "f." with "e."

Page 5, line 14, replace "g." with "f."

Page 5, line 15, replace "h." with "g."

Page 5, remove lines 16 through 19

Page 5, line 20, replace "k." with "h."

Page 5, line 22, replace "l." with "i."

Page 5, line 23, replace "and" with:

"j. 0.14 the number of students enrolled in a new immigrant English language learner program;"

Page 5, line 24, replace "m." with "k." and replace "0.063" with "0.067"

Page 5, line 25, replace the underscored period with "; and

l. 0.02 the number of students, other than those provided for in subdivision j, who are enrolled in an English language learner program."

Page 8, after line 20, insert:

"**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Kindergarten payments - Determination.** Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count."

Page 14, line 29, remove "fifty percent of"

Page 22, line 27, replace "A" with "During the 2007-08 school year, a"

Page 22, line 28, after the underscored period insert "Beginning with the 2008-09 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00."

Page 23, line 1, after "time" insert ", as defined by the superintendent of public instruction,"

Page 23, after line 3, insert:

"**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Reduction in grade levels.** If a school district offers fewer grade levels than the district offered the previous school year, the superintendent of public instruction shall determine the district's average daily

membership using only those grade levels that the district offers during the current school year."

Page 32, line 17, overstrike "**per student payments**" and insert immediately thereafter "**students - Contracts for placement**"

Page 36, line 7, replace "For the 2007-09 biennium, "excess costs"" with ""Excess costs"" and replace "three" with "four"

Page 36, line 9, remove "For the"

Page 36, remove lines 10 through 15

Page 36, line 16, replace "Except as provided in subsection 5, all" with "All"

Page 36, remove lines 20 through 24

Page 40, replace lines 28 and 29 with:

"**New immigrant English language learner - Definition.** A new immigrant English language learner is an English language learner who was not born in the United States and has not attended school in the United States for more than three school years or the monthly equivalent of three school years."

Page 41, remove lines 1 through 8

Page 42, line 29, after "**COUNCIL**" insert "**- REIMBURSEMENT FOR EXPENSES**"

Page 43, after line 30, insert:

"3. The members of the commission are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials. The superintendent of public instruction shall use up to $40,000 from moneys appropriated in the grants - state school aid line item in section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, to provide the reimbursements."

Page 44, line 1, replace "3." with "4."

Page 44, line 7, replace "4." with "5."

Page 45, after line 19, insert:

"**SECTION 51. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed."

Page 45, line 20, remove "15.1-09-46,"

Page 45, line 21, remove "and" and after "15.1-27-32" insert ", 15.1-27-36, 15.1-27-37, and 15.1-27-38"

Page 46, replace lines 6 through 30 with:

"**SECTION 54. AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS - COST-SHARE INCENTIVES.**

1. The state board for career and technical education shall use $1,200,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to award grants for the purpose of assisting with the establishment of at least two new area career and technology centers in areas of the state that, as of July 1, 2007, are not served by an existing center. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a number of students who will be served and to alignment of the proposed area career and technology center with existing educational associations governed by joint powers agreements.

2. The state board for career and technical education shall use $800,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to increase cost-share incentives for area career and technology centers."

Page 47, remove lines 1 through 30

Page 48, line 12, remove the second "and"

Page 48, line 13, replace "The superintendent of public instruction shall use" with "Use the next $450,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts serving English language learners and new immigrant English language learners, in accordance with chapter 15.1-38; and

4. Use"

Page 48, line 27, replace "Section 46" with "Sections 48 and 51" and replace "is" with "are"

Renumber accordingly

2007 HOUSE APPROPRIATIONS

SB 2200

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2200

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: March 20, 2007

Recorder Job Number: 5308

Committee Clerk Signature Shirley Banning

Minutes:

**Chairman Wald**: Called the meeting to order to hear Engrossed SB 2200 by introducing **Senator Tim Flakoll**, District 44, a sponsor of the bill.

**Senator Flakoll**: (See Handout # 1 SB 2200) Spoke in support of SB 2200, highlighting the Supreme Court Ruling, The FTE on page 3, and the funds in the Joint Powers Agreement (JPA).

**Representative Aarsvold:** Why did the court choose to handle the impact of federal installations differently than the coal and oil money?

**Representative Raeann Kelsch,** District 34: Provided testimony on the changes made to the fiscal impact of SB 2200

**Representative Martinson**: Why is there an extra 20m and what would be the impact if it were deleted?

**Representative Kelsch:** The commission said it would be right to have an additional $5m to go immediately on the formula, $3m per student payments; $3m for at-risk kindergarten, $4m for special ed, and $1m for the contract payment.

**Representative Hawken**: If oil prices were to fall wouldn't this protect them where they haven't been protected before?

**Representative Kelsch:** That is my understanding. Impact aid cannot be considered.

**Chairman Wald:** Is there documentation stating that it is federal law? On page 3 there is a bill change on home schools.

**Representative Kelsch:** This is just for calculating average daily membership, there is no impact to the home schoolers.

**Chairman Wald**: How are you treating carry over of the $8m?

**Representative Kelsch:** The first $1m would go out for special ed contract charges, second $1m is going out for JPA, I don't have everything that is being spent out of the contingency dollars.

**Representative Aarsvold:** English language learners (ELL), do adult centers quality for students of school age?

**Representative Kelsch:** They would not qualify because this is done through the school district.

**Representative Gulleson**: What is the total for ELL?

**Representative Kelsch:** $1.1m.

**Vice Chairman Monson:** We are trying to get some money to the adult ed because these kids do not qualify for the per pupil payment.

**Representative Kelsch:** The formula is equitable, this will likely go to Conference Committee.

**Chairman Wald:** How do you respond to Western North Dakota regarding the mineral money?

**Representative Kelsch:** We have had input from all players and this piece of legislation is the most equitable.

**Representative Aarsvold**: Are there no losers?

**Representative Kelsch:** There are no losers, it is hold harmless, but it does take into consideration declining enrollment.

**Lt. Governor Jack Dalrymple**: A lot of the new money goes into the equity payment. From now on it will be built into the base. We will stay within the $80m funding level to help with this transition period.

**Representative Martinson**: What is the minimum amount that would have to be appropriated next biennium?

**Lt. Governor Dalrymple:** The adequacy question has not been answered, it is unknown how much it will take. It will be a greater increase than we have been accustomed to in the past.

**Dr. Wayne Sanstead**, Superintendent of Public Instruction: Stated that this proposal merits consideration.

**Representative Aarsvold**: To meet the minimum payment, it will be 2%? The reality is that those figures are just below normal inflation.

**Dr. Sanstead**: 2% the first year and 3% the second.

**Dr. Paul Stremick**: I did serve on the education commission and feel that it provides adequacy for the future.

**Al Liebersbach,** Superintendent of Beulah School District: (See handout # 2, SB 2200) provided testimony regarding the imputation of coal, oil and petroleum tax revenues. He stated that the formula is not equitable.

**Chairman Wald:** What if the 75% imputed value were on coal?

**Liebersbach**: We would quality at 75%.

**Representative Aarsvold:** What is your general fund carry over?

**Liebersbach**: At the present time it is approximately 28%, but we have gone through a number of declining enrollments and we have had to RIF teachers and this year I am operating at approximately a $236,000 deficit.

**Vicky Steiner**, Executive Director of the North Dakota Association of Oil and Gas Producing Counties: (See handout # 3, SB 2200) offered testimony refuting the 75% or the 100% imputation numbers. More school districts support the 50% imputation.

**Stremick:** Addressed impact aid, it cannot be included. With regard to extra money needed for buses and roads, school districts do not pay for roads. The imputed value of 75% is an equitable formula.

**Representative Aarsvold**: What is your current mill levy?

**Stremick:** It is 185 which is the cap and overall we are right at around 206 mills. The general fund carryover is around 13%.

**Nancy Sand,** Representing the North Dakota Education Association: A concern is the FTE money. With only that we could not have supported the bill but with the other changes, such the student apportionment being redistributed on a per student basis rather than a census basis. FTE needs to be distributed on a per student basis. We supported the original bill.

**Dr. Doug Johnson,** North Dakota Council of Educational Leaders: Spoke in favor of SB 2200.

**Chairman Wald**: Appreciate the students visiting today. The carrier of this bill is **Vice Chairman Monson, along with Representatives Hawken, Aarsvold and Gulleson** to study the bill. The hearing on SB 2200 is closed.

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2200

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: March 23, 2007

Recorder Job Number: 5504

Committee Clerk Signature Shirley Branning

Minutes:

**Chairman Wald:** Called the meeting to order to consider the amendment .0913 to SB 2200 by asking Vice Chairman Monson to explain the amendment.

**Vice Chairman Monson:** Began the explanation of amendment .0913 to SB 2200 by calling upon **Anita Thomas**, Counsel for the Legislative Council to explain the amendment in greater detail.

**Thomas**: Beginning with Section 10, Kindergarten payments.

**Vice Chairman Monson**: All the money should be in SB 2013, so my preference would be to take it out of SB 2200. SB 2200 has the language that talks about the distribution of the money. We should remove Section 28 from page 4. I would move a **Do Pass** to adopt amendment .0913 and further amend to remove Section 28 and reference to the contingency fund.

**Representative Hawken:** Second

**Representative Aarsvold**: Do we need to specify the amount?

**Vice Chairman Monson**: It specifies 50%. Is there any money in Joint Powers Agreement (JPA) in SB 2200?

**Representative Aarsvold**: What about the language regarding the value of the minerals?

**Vice Chairman Monson**: That will be in SB 2200, if you want to amend it. Regarding the JPA, that will be in SB 2013. That is $2m hard money and $1m soft money. Is there any money left in SB 2200 for all day kindergarten, $5m total?

**Representative Aarsvold:** The at risk kindergarten appropriation is out of both bills.

**Vice Chairman Monson:** It provides all-day, everyday kindergarten the second year of the biennium. 07-09. That is kindergarten for all children. There will be separate amendments in SB 2013 for all day kindergarten and the $5m

**Representative Martinson**: Suggests that this committee have a seat on the Conference Committee for this bill.

**Chairman Wald:** There is a motion on the floor to **Do Pass** amendment .0913 less section 28, the reference to the contingency funds from '05-'07 and a second by **Representative Hawken.** Call the roll.

**Vote: 6 Yes 0 No, 1 Absent Motion Carried Carrier: Vice Chairman Monson**

**Chairman Wald:** I would like to further amend SB 2200 .0911 to change the computed value of coal, oil and gas to 75%. A motion **Do Pass** to adopt this amendment

**Representative Klein**: Second

**Chairman Wald:** This is a compromise. Discussion? **Voice Vote Carried.**

**Vice Chairman Monson:** Move a **Do Pass** on amendment .0911.

**Representative Gulleson:** Second

**Chairman Wald:** Further discussion. Call the roll

**Vote: 7 yes, 0 No 0 Absent Motion Carried. Carrier: Vice Chairman Monson**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **2200**

**House Appropriations Committee**

☐ Check here for Conference Committee

Hearing Date: **26 March 2007**

Recorder Job Number: **5572**

Committee Clerk Signature Shelly N. Ford / Jan Brundle

Minutes:

**Chairman Svedjan opened the discussion of SB 2200.** Amendment .0914 was distributed.

**Representative David Monson, District 10, introduced the bill.** This is the funding formula for K – 12. It is now 100% policy. I **Move Amendment .0914**

**Representative Wald: I Second.**

**Representative Monson:** There is a lot of stuff in here that I'm not going to touch on because this is the policy bill. It was worked on by the Commission for the past year. The Senate Education Committee and our House Education Committee did their thing with it. We in the EE section did basically four things with the bill.

All day kindergarten was put in to the bill by the Senate. The funding for it is in SB 2013. The original bill came in with only all day kindergarten for at-risk kids. The Senate added $2.0 million in 2013 and the language in Section 10. If we wish to amend $2.0 million out of 2013 for the all-day kindergarten that the Senate added, then Section 10 in 2200 would have to be reconciled to that.

On page 7, 1.a., we changed that to "except 50% of those distributions." The effect of this is that there is money in the contingency fund which is money left over from the foundation aid. We don't know how much it will be because it's a moving target day to day. What happens with 2200 is that in the last year of the biennium—06-07 school year is considered

your baseline funding. By paying a lot of money out at the end of this biennium in this contingency fund what it could do is skew substantially the amount of money in that baseline. The Commission members kind of weighed in on this. Lieutenant Governor Dalrymple weighed in on it. Fifty percent of the money in that contingency fund would have been paid out in 05-06 SY and 50% would have been paid out in 06-07 had they had their numbers exactly right on the money. We all felt that 50% was really the appropriate number to go into the base and half should have been treated as if it went out in the 05-06 SY. That's what this does.

We also made a change that provides that any payments received for full-day kindergarten do not constitute increases in state aid for purposes of determining minimum and maximum payments. It is probably not going to be offered by everybody because they do not have space. 3. b.--the last sentence refers to that and we added that.

There is also a change that says "provides that any contingent payments received at the end of the 05-07 biennium will not be counted against a district for the purposes of the excess fund balance deduct." What 2200 says is that if a school district has more 150% of their usual expenditures, there is a penalty. You will not get as much funding from the state. The idea would be that you are quite wealthy if you had that much money stuck in your reserves and would not need as much state funding. Because of this contingency payment with the leftover money that will come out in July some school districts will be real close to that 150% number. We feel it's not their fault if this contingency payment drops in their lap at the last minute and it pushes them 150%. They will not be penalized—they will get their full amount of state aid. (Page 17, section 28)

We reduced the percentage mineral revenue used in the imputed valuation calculation for the purposes of determining eligibility for equity payments from 100% to 75%. The Senate version was 50%. The Commission recommendation was 7%% although there were

numerous discussion in the Commission that said it should be at 100%. We brought it in at 75%, the Senate dropped it to 50%, the House Education Committee raise it to 100% and we in Appropriations fooled around with policy and we lowered it to 75%. It takes away something from the House Education Committee when they go to negotiate with the Senate.

We also did remove $2.0 million for the JPAs that was in here. We moved it to 2013 so there was no money in 2200. When we get to 2013 we'll explain further that it is coming out of the contingency fund from 05-07. There is no money in this bill.

**Representative Carlisle:** On page 6, section 10, all-day kindergarten is still in there. Is that correct?

**Representative Monson:** Yes, it is. If it changes because of funding changes in 2013 then this language would have to be reconciled with it.

**Representative Carlisle:** You were here last session. How many times did we vote this down? Is there a change or some reason that it's in there again?

**Representative Monson:** The Senate added it. The Governor's Commission felt that it was important for at least for those kids at-risk. Those are the ones that the Commission put in, but the Senate in their deliberations funded all-day kindergarten the second year of the biennium only for everybody. Foundation aid payments for kindergarten would go out to schools if we were going to fund it in 07-08. Many schools that don't offer it now would not be able to collect payments for them even though they offered it in 07-08 because they used the data from 06-07. You actually get paid on your last year's enrollment. If all-day kindergarten were to stay in there, no one would get paid for it in 07-08 school year. In 08-09 everybody that offered it and paid for it on their own, would then be eligible to get reimbursement in 08-09.

**Representative Gulleson:** I think we should clarify for the Committee that it is still optional for the schools to offer it. It will be decision that local school board makes. It is additionally an option for parents to send their child. There is no mandatory on either side.

**Representative Hawken:** There was only one bill last session; we just tried to do three different ways. One was the bill, one was the study, and one was a survey. Since that time, there's been the opportunity for a great deal more research and what we talked about last session, has proven to be extremely true. In the area 25 states have all-day kindergarten. Tomorrow evening there is going to be a gentleman from the Federal Reserve Bank who is going to talk a lot about this. Economists are the ones who are doing the research on this as well as educators. What they are finding is that children that have this early learning opportunity have success in school. As a result of that you have people who are much more employable, there are not behavioral problems, and they do not end up in prisons and jails. The savings economically come on the back end. In the meantime we have provided an opportunity for children to be successful learners. All of the brain research is showing that it is at a early age—earlier than we ever thought—and that is the reason the Commission thought for sure it should be for at-risk children. Things don't always stay the same. And, as Representative Gulleson says, there is nothing in here that says anyone has to do it. I think we should open our minds to the fact that we could be helping children in ND by allowing this opportunity to happen for those who would like to take advantage of it.

**Representative Skarphol:** Did I understand you correctly to say that it is strictly voluntary and if a parent doesn't wish to send their child, they don't need to. Then, what happens if one person in the school district decides they want their child in all-day kindergarten. Do we have to provide and instructor for that one child? What are the options for the school district to make a decision about that?

**Representative Monson:** Right now, every school has to offer kindergarten. They can offer it by sharing or sending their kids to a neighboring school, which some do. That is happening right now. If a school does not offer all-day kindergarten, that parent could send their student to another school by open enrollment. I speak from experience. My school does not offer all-

day kindergarten and we had a parent that wanted it and we said we can't offer it this year and they open-enrolled their child to a neighboring school that does. That isn't going to change. I would add a little bit to what Representative Hawken was saying about more kindergarten, and it truly is proven that kids, especially kids at risk, benefit from all-day kindergarten. By about grade 4 that big advantage is diminished a bit. It does definitely help those kids at risk.

**Representative Bellew:** On page 11, number 5, would you explain that section to me please.

**Representative Monson:** That's the impact aid. That's the air base money. That money cannot be counted when it comes to whether they are eligible or not for equity payments. That involves Minot and Grand Forks. We do not meet the federal criteria for the impact aid to be counted in the formula.

**Representative Bellew:** Also in there we are not counting the students and I just want to know how equitable that is.

**Representative Monson:** This is the policy stuff.

**Lieutenant Governor Dalrymple:** This is an amendment that was adopted by the Senate after a considerable amount of communication with the Minot School Board. It was determined by the Senate that even though none of this money or this student count has anything to do with the main formula; it has only to do with the determination of whether or not Minot Public School a poor school and eligible for the equity payment. It was determined that impact aid should be removed from the computation. That is the money that pays for the education of those students. There is actually a school district that encompasses the Minot Air Force Base. Obviously, it is only the fair thing to do. If you are going to remove $10.0 million you need to remove those students that are educated by that $10.0 million.

**Representative Bellew:** Then they do get foundation aid?

**Lieutenant Governor Dalrymple:** Yes, they do.

**Representative Skarphol:** I would like to know what the federal contribution amounts to per student.

**Lieutenant Governor Dalrymple:** I can't give you the exact figure but I believe that they add an additional $3,000 per student above what is raised through state and local support. That's just for the air base students. The Commission is not making any statement about whether that is fair or not. This is federal law we are talking about.

**Representative Carlson:** Explain to me a little bit about the contingency dollars.

**Representative Monson:** When we appropriate the money for foundation aid, our formula said we will pay out so much the first year, so much the second year based on a PPP basis. At the end of the biennium, there has been money left over. For the last 3 biennia we have put in there language that says whatever money that was appropriated whether it was paid out or non on PPP in the end that money will also go out. It is not turned back to the general fund. This money follows the kids in a kind of bonus payment.

**Representative Carlson:** Do we have any idea what that number is going to be this time?

**Representative Monson:** it is far more substantial then it has been in many years. $10-$12.0 million was talked about. In 2013 we are actually reducing that amount because we are spending that money and reducing the GF budget in 2013.

**Representative Carlson:** So you are rolling it into this biennium instead of paying it out.

**Representative Monson:** $2.0 million was appropriated for JPAs and we passed a bill in here to pay some districts that fell through the cracks, ESPB for national board certified teachers, the defibrillators are coming out of there and there is a bill in the Senate for the Health Department to take $1.0 for school nurses so we are spending that down quite substantially. I'm thinking there will approximately $7.0 in there that will be paid out in a bonus at the end.

**Representative Carlson:** Is there any kind of hold harmless clause in here dealing with declining enrollment?

**Representative Monson:** Not for declining enrollment, but no school will get less than a 2% increase over the base year funding. If they lose students they will see less money overall.

**Representative Aarsvold:** I think a quick and dirty way to handle that is that if they lose more than 2% of their student numbers next year, they are at a wash or something less.

**Representative Kempenich:** In Section 50 on this 70% business, does that include the mil rate that they will have to raise to meet the requirements.

**Representative Monson:** We did not get in to that in our committee at all. That was in the formula that way. In our discussions in the Commission though, that's been language in several biennia and the idea is that it would not impact the schools negatively in any way. It would not impact any money they raised from taxes.

**Representative Thoreson:** I want to go back to the all-day kindergarten argument. I know there may be some information that shows short-term benefit of this. I'm looking at a study done by the Rand Corporation. They studied 7,897 students from K – 5 and the results they came up with are kind of surprising. They show there may actually be a negative impact in the area of mathematics. Their conclusion says, "While full-day kindergarten programs have been shown to have some initial positive effects it is unknown whether the apparent lack of enduring benefit merits the costs associated with their implementation." So, I still have some strong questions in that area.

**Representative Skarphol:** I need to talk about Section 15 of the bill. That has to do with mineral revenue and the imputed values. Could you tell me what the imputed value of mineral revenue is in the current biennium?

**Representative Monson:** I cannot tell you what that is. I do know that is the number that we will only count 75% of. I do not have the amount of that money.

**Representative Skarphol:** I think it is "0" and this is a very significant change in the policy of this state with regard to how oil and coal revenue is treated in our school districts. If the federal government has a legitimate reason to say that the dollars contributed by the federal government in the case of the air bases to the school districts cannot be touched with regard to determining equity, then I would submit to you that the same thing applies to mineral revenue in Western ND. The challenges that the mineral counties and schools face is very similar to what they face in the air base cities. We have dramatic changes at times in the number of students that we have to provide services for and we have the costs associated with it. If you look up in Webster's dictionary what imputed value is it says, "The value of an asset that is not recorded in any accounts but is implicit in the product." I would submit that there is imputed value in state government in the Burleigh County District; there is imputed value in ND State University in the Cass County School District; there is imputed in the research and technology park in Fargo; there is imputed value to every community in this state that has an institution of higher learning—every one of them. But, they are discounted but they make a significant contribution. The imputed value on mineral revenues is completely unacceptable. And I would move to delete any reference in Section 15 to the need of having an imputed valuation change with regard to the law in ND.

**Representative Monson:** The only reason we don't count the air base money because it's a federal law that we can't. There is no federal law that says we can't count the funds that are generated by mineral or any other form of wealth—property tax, in lieu of property tax or whatever that might be, sales tax if some places are using that in their general fund. Many school districts have some source of revenue that they can use to pay there bills. It's not earmarked for any particular thing but it spends well and pays their teachers' salaries or pays the light bill or whatever. What this formula is supposed to do is take into account all forms of revenue as comprehensive as we could get it and say all of this money is in the pot now are

you truly poor. If you don't have any source of revenue that you can raise tax money or if you don't get coal and oil tax money or if you don't have other sources of revenue, then you are truly poor and then the state should come in and make up the difference. That's what this is trying to do in the form of equity. There have been people arguing whether we should count 0% or 100% or 75% or 50% and it's tense. That money pays bills. I feel that any source that any source of revenue can be put on the table and help to figure out how the state pays the bills to educate K-12 kids.

**Chairman Svedjan:** There was a motion made. Is there a second? Will you hold on that?

**Representative Skarphol:** I will. Maybe you can point out to me where it is that the sales tax collected by the City of Williston or the City of Jamestown or the mineral payments that the City of Dickinson receives is included in the formula as imputed.

**Representative Monson:** I think the Lieutenant Governor Dalrymple probably has a better handle on that. He was pointing out to me that this imputed money only deals with the equity issue. He could do a better job of answering the question.

**Lieutenant Governor Dalrymple:** This has to do with the equity payment only. In rough terms we are talking about approximately 5% of the state funds that go out. The other 95% of regular formula there is nothing in there at all having to do with mineral income. On the equity side, the Commission tried to determine who is truly needy in terms of having less resource available to the school district to pay the bill. The Commission decided, in general, that they wanted to take all sources of cash available into account for GF for regular budget purposes. It's true that some communities have a sales tax that they have committed to their school districts. Thus far, all of those measures have been put in place to support school construction. None of that money to date is going into GF budgets.

**Representative Skarphol:** If the communities out there that are getting oil revenue decide to build a new building then will that money not count if they want to use it to build a building.

**Lieutenant Governor Dalrymple:** You are referring to a case where a school district may have actual direct ownership of an oil well or something of that nature. The problem we ran into in determining revenue that is received from sources that we do not access to—public information on what that income may be. We felt that we were not able to work that in to the formula in any rational way. If there some sort of private endowment or a particular property holding that is not required to be disclosed publicly, we have no way evaluating that.

**Representative Skarphol:** I would submit to you that every school district in Western ND would commit their mineral revenues to the building fund given the opportunity. I don't see that your argument has basis as to what the dollars are used for. It's still money that is being used for the cost of the school. If they weren't being used for the building, they would be used for GF. There's a lot of emphasis on imputed value, there's nothing being put on imputed liabilities. Those of us in rural ND sit in an area where we can not increase the value of property in our district most likely because of the fact that people can't build new homes because of the gap that's created by the fact that they live in a rural area. Now there is an imputed value to Cass, Ward, Burleigh Counties because people can build new homes and increase the property value. We can't do that in rural ND. To take away something that we have as an asset as this point of time just because it results in cash that is the envy of others.

**Representative Aarsvold:** For years we have been equalizing the property side of the formula with the mil deduct. I believe it's up to 42 mils most recently. So those districts where real estate is the primary source of local revenue we have been equalizing those dollars for a long time. Secondly, I have a history of the property tax increases over the last ten years and there have been markedly lower increases in those oil bearing counties because they have the other source of revenue. Those dollars are never equalized.

**Representative Skarphol:** Given the opportunity to asses a property tax on the oil industry in Western ND would be very satisfactory to us if you would be willing to give up the production

and extraction taxes because they are in lieu of property tax. We are already transferring a tremendous amount of property wealth to the state GF.

**Chairman Svedjan: On the motion to adopt amendment .0914. I'll take this on a voice vote: The amendment was adopted.**

**Representative Skarphol: I make a motion to remove the new language in Section 15 that results in the imputed values on mineral revenue.**

**Representative Kempenich: I second.**

**Representative Monson:** I don't know that is actually the reference to the 75% but perhaps LC can clarify. What we did is go to 75% and I understand that Representative Skarphol wants it to go 0%. The Senate had it at 50%.

**Chairman Svedjan:** Would that be a more appropriate motion that it move from 75% to 0% or is it something different than that.

**Representative Skarphol:** Whatever the current practice is is what I would like to go back to—where it is not counted as income in the distribution of money.

**Representative Kempenich:** What we are talking about is there are about $8.0 million shared amongst 20 some school districts.

**Chairman Svedjan: Are we clear on the amendment?**

**Representative Monson:** Lieutenant Governor Dalrymple said it would be 6b, on page 11, and 6c. We have to keep the tuition in there. You would remove the word "mineral" and remove 6c on age 11.

**Chairman Svedjan:** Council, are you clear on the amendment?

**Roxanne:** Although I did not draft this legislation, I'm clear on the motion and I can confer with our legal staff in the morning.

**Representative Monson:** I would hope that we would resist this. This was studied at length and discussed at length and testimony taken all last year and now in the Legislature in the

policy committees in the both the Senate and House. Senator Freborg is from understands the issue and he was okay with even 50%. To go to 0% I would really hope we would resist that.

**Representative Skarphol:** I talked with three of my superintendents over the weekend and they felt strongly that the current practice was the most acceptable. Maybe with coal it's different. That's a more stable industry than oil. I think the Committee should support this and there obviously will be a discussion about it in conference committee.

**A voice vote was taken: The motion was defeated.**

**Representative Monson: I move Do Pass on Amended SB 2200.**

**Representative Hawken: I second.**

**A roll call vote was taken: Yes: 18, No: 6, Absent: 0.**

**Representative Monson will carry the bill.**

Prepared by the Legislative Council staff for
Representative Monson
March 22, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

In lieu of the amendments adopted by the House as printed on pages 1027-1030 of the House Journal, Engrossed Senate Bill No. 2200 is amended as follows:

Page 1, line 1, replace "a new section to chapter 15.1-22, seven" with "ten"

Page 1, line 4, after "15.1-02-09" insert ", subsection 4 of section 15.1-06-04"

Page 1, line 9, after "Code" insert "and section 28 of chapter 167 of the 2005 Session Laws"

Page 1, line 11, remove "and" and after "15.1-27-32" insert ", 15.1-27-36, 15.1-27-37, and 15.1-27-38"

Page 1, line 13, remove "and"

Page 1, line 14, after "valuations" insert ", and teacher compensation payments"

Page 1, line 17, replace "appropriations" with "an expiration date"

Page 2, after line 14, insert:

"**SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. ~~A~~ During the 2007-08 school year, a full day of instruction consists of:

~~a.~~ (1) At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

~~b.~~ (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

b. Beginning with the 2008-09 school year, a full day of instruction consists of:

(1) At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

(2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction."

Page 2, remove lines 24 through 31

Page 3, remove lines 1 through 5

Page 4, line 22, remove "and"

Page 4, line 23, remove the overstrike over "~~The September tenth fall enrollment report~~" and after the overstruck period insert "; and"

Page 4, line 24, remove the overstrike over "~~d.~~"

Page 5, remove lines 11 and 12

Page 5, line 13, replace "f." with "e."

Page 5, line 14, replace "g." with "f."

Page 5, line 15, replace "h." with "g."

Page 5, remove lines 16 through 19

Page 5, line 20, replace "k." with "h."

Page 5, line 22, replace "l." with "i."

Page 5, line 23, replace "and" with:

"j. 0.14 the number of students enrolled in a new immigrant English language learner program;"

Page 5, line 24, replace "m." with "k." and replace "0.063" with "0.067"

Page 5, line 25, replace the underscored period with "; and

l. 0.02 the number of students, other than those provided for in subdivision j, who are enrolled in an English language learner program."

Page 8, after line 20, insert:

"**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Kindergarten payments - Determination.** Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count."

Page 8, line 27, after "year" insert ", except fifty percent of those distributions provided for in subsection 6 of section 49 of this Act"

Page 9, line 22, after the underscored period insert "Payments received by districts for the provision of full-day kindergarten do not constitute increases in state aid for purposes of this subdivision."

Page 14, line 29, remove "fifty percent of"

Page 22, line 27, replace "A" with "During the 2007-08 school year, a"

Page 22, line 28, after the underscored period insert "Beginning with the 2008-09 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00."

Page 23, line 1, after "time" insert ", as defined by the superintendent of public instruction,"

Page 23, after line 3, insert:

"**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Reduction in grade levels.** If a school district offers fewer grade levels than the district offered the previous school year, the superintendent of public instruction shall determine the district's average daily membership using only those grade levels that the district offers during the current school year."

Page 23, after line 20, insert:

"**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance - Exception.** Notwithstanding the provisions of section 27 of this Act, the superintendent of public instruction may not include any distribution provided for in subsection 6 of section 49 of this Act in determining the unobligated general fund balance of a school district."

Page 32, line 17, overstrike "**per student payments**" and insert immediately thereafter "**students - Contracts for placement**"

Page 36, line 7, replace "For the 2007-09 biennium, "excess costs"" with ""Excess costs"" and replace "three" with "four"

Page 36, line 9, remove "For the"

Page 36, remove lines 10 through 15

Page 36, line 16, replace "Except as provided in subsection 5, all" with "All"

Page 36, remove lines 20 through 24

Page 40, replace lines 28 and 29 with:

"**New immigrant English language learner - Definition.** A new immigrant English language learner is an English language learner who was not born in the United

States and has not attended school in the United States for more than three school years or the monthly equivalent of three school years."

Page 41, remove lines 1 through 8

Page 42, after line 27, insert:

"**SECTION 49. AMENDMENT.** Section 28 of chapter 167 of the 2005 Session Laws is amended and reenacted as follows:

**SECTION 28. CONTINGENCY.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first $450,000, or so much of that amount as may be necessary, to provide additional payments to school districts serving English language learners in accordance with section 15.1-27-12.

2. The superintendent of public instruction shall use the next $1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.

3. The superintendent of public instruction shall use the next $25,748, or so much of that amount as may be necessary, for the purpose of reimbursing eligible school districts that received reduced amounts of state aid. For the purposes of this subsection, an eligible school district is one that received a reduction in state aid during the 2005-07 biennium because the district's general fund levy fell below one hundred forty mills as the result of an accounting oversight.

4. The superintendent of public instruction shall use the next $200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2005-07 biennium.

5. The superintendent of public instruction shall use the next $400,000, or so much of that amount as may be necessary, to purchase automated external defibrillators and place one in each public and nonpublic school in the state.

6. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district."

Page 42, line 29, after "**COUNCIL**" insert "**- REIMBURSEMENT FOR EXPENSES**"

Page 43, after line 30, insert:

"3. The members of the commission are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials. The superintendent of public instruction shall use up to $40,000 from moneys appropriated in the grants - state school aid line item in section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, to provide the reimbursements."

Page 44, line 1, replace "3." with "4."

Page 44, line 7, replace "4." with "5."

Page 45, after line 19, insert:

"**SECTION 53. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed."

Page 45, line 20, remove "15.1-09-46,"

Page 45, line 21, remove "and" and after "15.1-27-32" insert ", 15.1-27-36, 15.1-27-37, and 15.1-27-38"

Page 45, replace lines 23 through 31 with:

"**SECTION 55. AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS - COST-SHARE INCENTIVES.**

1. The state board for career and technical education shall use $1,200,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to award grants for the purpose of assisting with the establishment of at least two new area career and technology centers in areas of the state that, as of July 1, 2007, are not served by an existing center. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a number of students who will be served and to alignment of the proposed area career and technology center with existing educational associations governed by joint powers agreements.

2. The state board for career and technical education shall use $800,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to increase cost-share incentives for area career and technology centers."

Page 46, remove lines 1 through 30

Page 47, remove lines 1 through 30

Page 48, line 12, remove the second "and"

Page 48, line 13, replace "The superintendent of public instruction shall use" with "Use the next $450,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts serving English language learners and new immigrant English language learners, in accordance with chapter 15.1-38; and

4. Use"

Page 48, after line 26, insert:

"**SECTION 58. EXPIRATION DATE.** Section 28 of this Act is effective through June 30, 2007, and after that date is ineffective."

Page 48, line 27, replace "Section 46" with "Sections 28, 49, 50, 53, and 58" and replace "is" with "are"

Renumber accordingly

Date: March 23,
Roll Call Vote #: 1

## 2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. SB 2200

House **Appropriations Education and Environment Division** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0913

Action Taken To adopt .0913 and further amend.

Motion Made By Rep. Monson Seconded By Rep. Hawken

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Wald: | ✓ | | Representative Aarsvold: | ✓ | |
| Vice Chairman Monson | ✓ | | Representative Gulleson | | |
| Representative Hawken: | ✓ | | | | |
| Representative Klein: | ✓ | | | | |
| Representative Martinson: | ✓ | | | | |
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Total (Yes) 6 No 0

Absent 1

Floor Assignment Representative Monson

If the vote is on an amendment, briefly indicate intent:

To further amend .0913
of SB 2200

70120.0911
Title.

Prepared by the Legislative Council staff for
Representative Wald
March 22, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

In lieu of the amendments adopted by the House as printed on pages 1027-1030 of the House Journal, Engrossed Senate Bill No. 2200 is amended as follows:

Page 1, line 1, replace "a new section to chapter 15.1-22, seven" with "nine"

Page 1, line 4, after "15.1-02-09" insert ", subsection 4 of section 15.1-06-04"

Page 1, line 11, remove "and" and after "15.1-27-32" insert ", 15.1-27-36, 15.1-27-37, and 15.1-27-38"

Page 1, line 13, remove "and"

Page 1, line 14, after "valuations" insert ", and teacher compensation payments"

Page 1, line 17, replace "appropriations" with "an appropriation"

Page 2, after line 14, insert:

"**SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. ~~A~~ During the 2007-08 school year, a full day of instruction consists of:

~~a.~~ (1) At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

~~b.~~ (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

b. Beginning with the 2008-09 school year, a full day of instruction consists of:

(1) At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

(2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction."

Page 2, remove lines 24 through 31

Page 3, remove lines 1 through 5

Page 4, line 22, remove "and"

Page 4, line 23, remove the overstrike over "~~The September tenth fall enrollment report~~" and after the overstruck period insert "; and"

Page 4, line 24, remove the overstrike over "~~d.~~"

Page 5, remove lines 11 and 12

Page 5, line 13, replace "f." with "e."

Page 5, line 14, replace "g." with "f."

Page 5, line 15, replace "h." with "g."

Page 5, remove lines 16 through 19

Page 5, line 20, replace "k." with "h."

Page 5, line 22, replace "l." with "i."

Page 5, line 23, replace "and" with:

"j. 0.14 the number of students enrolled in a new immigrant English language learner program;"

Page 5, line 24, replace "m." with "k." and replace "0.063" with "0.067"

Page 5, line 25, replace the underscored period with "; and

l. 0.02 the number of students, other than those provided for in subdivision j, who are enrolled in an English language learner program."

Page 8, after line 20, insert:

"**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Kindergarten payments - Determination.** Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count."

Page 14, line 29, replace "fifty" with "seventy-five"

Page 22, line 27, replace "A" with "During the 2007-08 school year, a"

Page 22, line 28, after the underscored period insert "Beginning with the 2008-09 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00."

Page 23, line 1, after "time" insert ", as defined by the superintendent of public instruction,"

Page 23, after line 3, insert:

"**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Reduction in grade levels.** If a school district offers fewer grade levels than the district offered the previous school year, the superintendent of public instruction shall determine the district's average daily membership using only those grade levels that the district offers during the current school year."

Page 32, line 17, overstrike "**per student payments**" and insert immediately thereafter "**students - Contracts for placement**"

Page 36, line 7, replace "For the 2007-09 biennium, "excess costs"" with ""Excess costs"" and replace "three" with "four"

Page 36, line 9, remove "For the"

Page 36, remove lines 10 through 15

Page 36, line 16, replace "Except as provided in subsection 5, all" with "All"

Page 36, remove lines 20 through 24

Page 40, replace lines 28 and 29 with:

"**New immigrant English language learner - Definition.** A new immigrant English language learner is an English language learner who was not born in the United States and has not attended school in the United States for more than three school years or the monthly equivalent of three school years."

Page 41, remove lines 1 through 8

Page 42, line 29, after "**COUNCIL**" insert "**- REIMBURSEMENT FOR EXPENSES**"

Page 43, after line 30, insert:

"3. The members of the commission are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials. The superintendent of public instruction shall use up to $40,000 from moneys appropriated in the grants - state school aid line item in section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, to provide the reimbursements."

Page 44, line 1, replace "3." with "4."

Page 44, line 7, replace "4." with "5."

Page 45, after line 19, insert:

"**SECTION 51. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed."

Page 45, line 20, remove "15.1-09-46,"

Page 45, line 21, remove "and" and after "15.1-27-32" insert ", 15.1-27-36, 15.1-27-37, and 15.1-27-38"

Page 46, replace lines 6 through 30 with:

"**SECTION 54. AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS - COST-SHARE INCENTIVES.**

1. The state board for career and technical education shall use $1,200,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to award grants for the purpose of assisting with the establishment of at least two new area career and technology centers in areas of the state that, as of July 1, 2007, are not served by an existing center. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a number of students who will be served and to alignment of the proposed area career and technology center with existing educational associations governed by joint powers agreements.

2. The state board for career and technical education shall use $800,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to increase cost-share incentives for area career and technology centers."

Page 47, remove lines 1 through 30

Page 48, line 12, remove the second "and"

Page 48, line 13, replace "The superintendent of public instruction shall use" with "Use the next $450,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts serving English language learners and new immigrant English language learners, in accordance with chapter 15.1-38; and

4. Use"

Page 48, line 27, replace "Section 46" with "Sections 48 and 51" and replace "is" with "are"

Renumber accordingly

Date: March 23, 2007
Roll Call Vote #: 1

## 2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. SB 2200

House Appropriations Education and Environment Division Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0911

Action Taken Do pass amendment

Motion Made By Rep. Wald Seconded By Rep. Klein Gulleson

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Wald: | ✓ | | Representative Aarsvold: | ✓ | |
| Vice Chairman Monson | ✓ | | Representative Gulleson | ✓ | |
| Representative Hawken: | ✓ | | | | |
| Representative Klein: | ✓ | | | | |
| Representative Martinson: | ✓ | | | | |
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Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep. Monson

If the vote is on an amendment, briefly indicate intent:

Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment
March 26, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact ten new sections to chapter 15.1-27, a new section to chapter 15.1-36, and two new sections to chapter 15.1-38 of the North Dakota Century Code, relating to the determination of state aid to school districts; to amend and reenact section 15.1-02-09, subsection 4 of section 15.1-06-04, subsection 6 of section 15.1-07-28, and sections 15.1-23-19, 15.1-27-01, 15.1-27-02, 15.1-27-04, 15.1-27-08, 15.1-27-09, 15.1-27-10, 15.1-27-11, 15.1-27-15, 15.1-27-16, 15.1-27-17, 15.1-27-18, 15.1-27-19, 15.1-27-20, 15.1-27-35, 15.1-28-03, 15.1-29-01, 15.1-29-02, 15.1-29-12, 15.1-29-14, 15.1-29-15, 15.1-31-03, 15.1-31-04, 15.1-31-07, 15.1-32-08, 15.1-32-14, 15.1-32-15, 15.1-32-16, 15.1-32-18, 15.1-33-02, 15.1-36-02, and 57-15-14 of the North Dakota Century Code, relating to the determination of state aid to school districts; to repeal sections 15.1-09-46, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to the school district census, the school district equalization factor, weighting factors, supplemental payments, additional per student payments, property valuations, and teacher compensation payments; to provide for a commission on education improvement; to provide for teacher compensation increases; to provide for future determinations of average daily membership; to provide for contingent payments; to provide for a contingent transfer; to provide for reports to the legislative council; to provide an expiration date; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-02-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-09. School district finance facts report - Contents.** The superintendent of public instruction shall submit an annual report on the financial condition of school districts to the governor, legislative council, and the secretary of state by the end of February. The secretary of state shall transmit the report to state archivist for official and public use. The report must include:

1. The number of school districts in the state.
2. The financial condition of each school district, including its receipts and expenditures.
3. The value of all property owned or controlled by each school district.
4. The cost of education in each school district.
5. The number of teachers employed by each school district and their salaries.
6. The number of students in average daily membership, in weighted average daily membership, and in average daily attendance, in each school district, the grades in which ~~they~~ the students are enrolled, and, when applicable, the courses in which ~~they~~ the students are enrolled.
7. Information regarding the state's approved nonpublic schools.

8. Other statistical data on public education in the state.

**SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. ~~A~~ During the 2007-08 school year, a full day of instruction consists of:

~~a.~~ (1) At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

~~b.~~ (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

b. Beginning with the 2008-09 school year, a full day of instruction consists of:

(1) At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

(2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 3. AMENDMENT.** Subsection 6 of section 15.1-07-28 of the North Dakota Century Code is amended and reenacted as follows:

6. The joint powers agreement provides for the employment and compensation of ~~any~~ staff ~~necessary to carry out the provisions of the agreement and the requirements of sections 15.1-06-04, 15.1-06-06, 15.1-07-28, 15.1-07-30, 15.1-09-01, 15.1-12-26, 15.1-12-27, 15.1-12-29, 15.1-18-07, 15.1-22-01, 15.1-27-04, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-11, 15.1-27-15, 15.1-27-35, 15.1-27-37, 15.1-27-39, 15.1-27-40, 15.1-28-03, 15.1-29-03, 15.1-29-04, and 15.1-29-12~~.

**SECTION 4. AMENDMENT.** Section 15.1-23-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-23-19. Home education - State aid to school districts.** For purposes of allocating state aid to school districts, a child receiving home education is ~~deemed enrolled in the child's school district of residence if the child is monitored by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and employed by the public school district in which the child resides. A school district is entitled to fifty percent of the per student payment provided in section 15.1-27-04 times the appropriate factor in section 15.1-27-06 or 15.1-27-07 for each child receiving home education. If a child receiving home education is enrolled in public school classes, proportionate payments must be made. The total amount may not exceed the equivalent of one full per student payment times the appropriate weighting factor~~ included in a school district's determination of average daily membership only for those days or portions of days that the child attends a public school.

**SECTION 5. AMENDMENT.** Section 15.1-27-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-01. Payments to school districts - Distribution.**

1. The superintendent of public instruction shall ~~determine~~ estimate the total state payments ~~made to each~~ to which a school district ~~during the previous fiscal~~ is entitled each year.

2. The superintendent of public instruction shall pay each district ten percent of the amount determined under subsection 1, within the limits of legislative appropriation, on or before August first and September first of each year. The superintendent shall pay each school district twenty percent of that amount, within the limits of legislative appropriation, on or before October first of each year.

3. The superintendent of public instruction shall ~~determine~~ estimate the amount that, in addition to the payments already made, is necessary to constitute the remainder of the amount due each district for the current school year.

4. On or before November first, the superintendent of public instruction shall pay to each district, within the limits of legislative appropriation, an amount that, in addition to the above payments, constitutes sixty percent of the sum due under this chapter.

5. On or before the first day of December, January, February, March, and April, payments equal to twenty percent of the total remaining payments must be made to each district.

6. If funds appropriated for distribution to districts as state aid become available after April first, the superintendent of public instruction shall distribute the newly available payments on or before June thirtieth.

**SECTION 6. AMENDMENT.** Section 15.1-27-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-02. Per student payments - Required reports.**

1. The superintendent of public instruction may not forward state aid payments to a school district beyond the October payment unless the district has filed the following with the superintendent:

   a. ~~An annual average daily~~ The June thirtieth student membership and attendance report~~.~~;

   b. An annual school district financial report~~.~~;

   c. The September tenth fall enrollment report~~.~~; and

   d. The personnel report forms for licensed and nonlicensed employees.

2. On or before December fifteenth, each school district shall file with the superintendent of public instruction the taxable valuation and mill levy certifications. If a district fails to file the taxable valuation and mill levy certifications by the required date, the superintendent of public instruction may not forward to the district any state aid payments to which the district is entitled, until the taxable valuation and mill levy certifications are filed.

**SECTION 7.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:

   a. 1.00 the number of students enrolled in a migrant summer program;

   b. 1.00 the number of students enrolled in an extended educational program in accordance with section 15.1-32-17;

   c. 0.60 the number of students enrolled in a summer education program;

   d. 0.50 the number of students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

   e. 0.25 the number of students enrolled in an alternative high school;

   f. 0.25 the number of students enrolled in an isolated elementary school;

   g. 0.25 the number of students enrolled in an isolated high school;

   h. 0.20 the number of students attending school in a bordering state in accordance with section 15.1-29-01;

   i. 0.17 the number of students enrolled in an early childhood special education program;

   j. 0.14 the number of students enrolled in a new immigrant English language learner program;

   k. 0.067 the number of students enrolled in average daily membership, in order to support the provision of special education services; and

   l. 0.02 the number of students, other than those provided for in subdivision j, who are enrolled in an English language learner program.

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 8.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**School district size weighting factor - Weighted student units.**

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:

   a. 1.25 if the students in average daily membership number fewer than 185;

   b. 1.24 if the students in average daily membership number at least 185 but fewer than 200;

   c. 1.23 if the students in average daily membership number at least 200 but fewer than 215;

   d. 1.22 if the students in average daily membership number at least 215 but fewer than 230;

e. 1.21 if the students in average daily membership number at least 230 but fewer than 245;

f. 1.20 if the students in average daily membership number at least 245 but fewer than 260;

g. 1.19 if the students in average daily membership number at least 260 but fewer than 270;

h. 1.18 if the students in average daily membership number at least 270 but fewer than 275;

i. 1.17 if the students in average daily membership number at least 275 but fewer than 280;

j. 1.16 if the students in average daily membership number at least 280 but fewer than 285;

k. 1.15 if the students in average daily membership number at least 285 but fewer than 290;

l. 1.14 if the students in average daily membership number at least 290 but fewer than 295;

m. 1.13 if the students in average daily membership number at least 295 but fewer than 300;

n. 1.12 if the students in average daily membership number at least 300 but fewer than 305;

o. 1.11 if the students in average daily membership number at least 305 but fewer than 310;

p. 1.10 if the students in average daily membership number at least 310 but fewer than 320;

q. 1.09 if the students in average daily membership number at least 320 but fewer than 335;

r. 1.08 if the students in average daily membership number at least 335 but fewer than 350;

s. 1.07 if the students in average daily membership number at least 350 but fewer than 360;

t. 1.06 if the students in average daily membership number at least 360 but fewer than 370;

u. 1.05 if the students in average daily membership number at least 370 but fewer than 380;

v. 1.04 if the students in average daily membership number at least 380 but fewer than 390;

w. 1.03 if the students in average daily membership number at least 390 but fewer than 400;

x. 1.02 if the students in average daily membership number at least 400 but fewer than 600;

y. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and

z. 1.00 if the students in average daily membership number at least 900.

2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:

a. 1.25 if the students in average daily membership number fewer than 125;

b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and

c. 1.00 if the students in average daily membership number at least 200.

3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.

4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

**SECTION 9. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is ~~two~~ three thousand ~~seven hundred sixty-five~~ forty-two dollars.

b. The per student payment rate to which each school district is entitled for the second year of the biennium is ~~two~~ three thousand ~~eight~~ one hundred ~~seventy-nine~~ forty dollars. ~~The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.~~

2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Kindergarten payments - Determination.** Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count.

**SECTION 11.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:

   a. Adding together all state aid received by the district during the 2006-07 school year, except fifty percent of those distributions provided for in the final subsection of section 28 of chapter 167 of the 2005 Session Laws, as amended in 2007 Senate Bill No. 2013 and approved by the sixtieth legislative assembly;

   b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and

   c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.

2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2007-08 school year, is at least equal to one hundred two percent of the baseline funding per weighted student unit, as established in subsection 1.

   b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2007-08 school year, is at least equal to one hundred three percent of the baseline funding per weighted student unit, as established in subsection 1.

3. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the 2007-08 school year, one hundred seven percent of the baseline funding per weighted student unit, as established in subsection 1.

   b. Beginning with the 2008-09 school year, the maximum percentage of allowable growth in the baseline funding per weighted student unit provided in subdivision a must be annually increased by three percentage points, plus the district's share of any increased state aid for that year. Payments received by districts for the provision of full-day kindergarten do not constitute increases in state aid for purposes of this subdivision.

**SECTION 12. AMENDMENT.** Section 15.1-27-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-08. Per student payments - Unaccredited high schools.**

1. If a high school becomes unaccredited, the superintendent of public instruction shall determine the per student payment to which the school district is entitled during the first year in which the high school is unaccredited ~~is the amount established in section 15.1-27-04. The school district is not entitled to the amount that results from applying the weighting factors provided in section 15.1-27-06. In each successive year, the per student payment to which the school district is entitled for each student in the unaccredited high school must be reduced by an additional two hundred dollars.~~ by:

a. Applying the school district size weighting factor assigned under section 8 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school; and

b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school.

2. If the high school remains unaccredited for a second year, the superintendent of public instruction shall determine the per student payment to which the school district is entitled by:

a. Applying the school district size weighting factor assigned under section 8 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school;

b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school; and

c. Reducing any payment to which the school district is entitled for each student in average daily membership in the unaccredited high school by two hundred dollars.

3. If the high school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall determine the per student payment to which the school district is entitled as provided in subsection 2, and the superintendent shall reduce the payment for each student as provided in subdivision c of subsection 2 by two hundred dollars each year.

4. If a the high school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 13. AMENDMENT.** Section 15.1-27-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-09. Per student payments - Unaccredited elementary schools.**

1. If an elementary school becomes unaccredited, the superintendent of public instruction may not reduce the per student payment to which the school district is entitled during the first year in which the school is unaccredited.

2. If a an elementary school ~~district operates an~~ remains unaccredited ~~elementary school, the per student payment to which the school district is entitled during the first year in which the elementary school is unaccredited is the amount established in section 15.1-27-04. The school district is entitled to the amount that results from applying the weighting factors provided in section 15.1-27-07. In each successive~~ for a second year, the superintendent of public instruction shall reduce the per student payment to which the school district is entitled for each student in average daily membership in the unaccredited elementary school ~~must be reduced~~ by ~~an additional~~ two hundred dollars.

3. If the elementary school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall reduce the payment for each student as provided in subsection 2 by two hundred dollars each year.

4. If a the elementary school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 14. AMENDMENT.** Section 15.1-27-10 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-10. Per student payments - Special education.**

1. ~~Except as provided in subsection 2, each biennium the superintendent of public instruction shall distribute moneys appropriated by the legislative assembly for per student special education payments to each school district in the state on the basis of students in average daily membership. The superintendent of public instruction shall forward the payments, as calculated under section 15.1-27-05, to eligible school districts in the same manner and at the same time that the superintendent distributes state aid payments. For purposes of this section, "special education" means the provision of special services to students who have special needs, including students who are gifted and talented. Expenditures under this section may not conflict with nonsupplanting and maintenance of effort provisions under the Individuals With Disabilities Education Act, 20 United States Code 1400 et seq.~~

2. ~~2.~~ Upon the written request of a school district, the superintendent of public instruction may forward all or a portion of ~~the moneys~~ any per student special education payments to which ~~the~~ a school district is entitled ~~under this section~~ directly to the special education unit of which the school district is a member.

~~3.~~ 2. The superintendent of public instruction may withhold state special education funds due a school district if, in response to a complaint, the superintendent finds that the district is not providing a free appropriate public education to a student as required by law. Any withholding under this subsection may not exceed an amount equal to the cost of meeting the affected student's needs.

**SECTION 15. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. ~~High school districts - Supplemental~~ Equity payments.**

1. The superintendent of public instruction shall ~~calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:~~

   ~~a. The district's latest available not assessed and equalized taxable valuation of property; plus~~

   ~~b. All tuition payments and county revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.~~

~~2. The superintendent of public instruction shall verify that:~~

   ~~a. The quotient arrived at under subsection 1 is less than the latest available statewide average taxable valuation per student;~~

   ~~b. The district's educational expenditure per student is below the most recent available statewide average cost of education per student;~~

~~c. The district has a general fund levy of at least one hundred eighty mills; and~~

~~d. The district's unobligated general fund balance on the preceding June thirtieth is not in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.~~

~~3. If the superintendent of public instruction determines that the district meets all the requirements of subsection 2, the superintendent shall:~~

~~a. Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;~~

~~b. Multiply the result determined under subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;~~

~~c. Multiply the result determined under subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and~~

~~d. Multiply the result determined under subdivision c by a factor calculated by the superintendent of public instruction to result in the expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.~~

~~4. The result of the calculations under this section is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1-27.~~:

a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.

b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.

2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:

a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and

b. Multiplying that difference by the district's total average daily membership.

3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:

a. The district's general fund mill levy; or

b. One hundred eighty-five mills.

4. a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund mill levy.

b. If a district's general fund levy is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund mill levy from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.

c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.

5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.

6. For purposes of this section:

a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.

b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing seventy-five percent of the district's mineral and tuition revenue by the district's general fund mill levy.

c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.

d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 16. AMENDMENT.** Section 15.1-27-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-15. ~~Per student payments -~~ Isolated schools.**

1. a. ~~If an~~ An elementary school is isolated if it has fewer than fifty students in average daily membership and if fifteen percent or more of its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from their residences in order to attend another school~~, the weighting factor provided under section 15.1-27-07 must be increased by twenty-five percent. If the school has fewer than fifteen students, the payment received must be for fifteen students~~.

b. For purposes of determining state aid, an elementary school that is isolated is presumed to have at least fifteen students in average daily membership.

2. a. ~~If a~~ A high school is isolated if it has fewer than thirty-five students in average daily membership and if fifteen percent or more of its students would have to travel beyond a ~~twenty-mile [32.2-kilometer]~~ fifteen-mile [24.1-kilometer] radius from their residences in order to attend another school~~, the weighting factor provided under section 15.1-27-06 must be increased by twenty-five percent. If the school has fewer than twenty students, the payment received must be for twenty students~~.

b. For purposes of determining state aid, a high school that is isolated is presumed to have at least twenty students in average daily membership.

**SECTION 17. AMENDMENT.** Section 15.1-27-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-16. Per student payments - Cooperating districts.** If~~, on or after July 1, 1997,~~ any school district receiving payments under this chapter cooperates with another school district for the joint provision of educational services under a plan approved by the superintendent of public instruction, ~~each cooperating district is entitled~~ the superintendent of public instruction shall, notwithstanding the provisions of section 8 of this Act, create and assign a separate weighting factor that allows the cooperating districts to receive, for a period of four years, ~~at least the same per student payment for each high school and elementary student as the district received prior to initiation~~ a payment rate equivalent to that which each district would have received had the cooperative plan not taken effect. The superintendent of public instruction shall compute the separate weighting factor to four decimal places and that weighting factor is effective for the duration of the cooperative plan.

**SECTION 18. AMENDMENT.** Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.**

1. ~~If any school district receiving per student payments calculated under section 15.1-27-06 reorganized with another school district under chapter 15.1-12 before August 1, 1997, the school district resulting from the reorganization is entitled to receive the same per student payments for each high school student as each separate school district received for each high school student prior to the reorganization, for a period of four years.~~

2. ~~If any school district receiving per student payments calculated under this chapter reorganizes with another school district under chapter 15.1-12 after July 31, 1997, the school district resulting from the reorganization is entitled~~ Notwithstanding the provisions of section 8 of this Act, the superintendent of public instruction shall create and assign a separate weighting factor to:

a. Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and

b. Any school district that reorganizes on or after July 1, 2007.

2. a. The separate weighting factor must allow the reorganized school district to receive ~~the same per student payments for each high school and elementary student as~~ a payment rate equivalent to that which each separate school district would have received ~~for each high school and elementary student prior to the reorganization, for a period of four years~~ had the reorganization not taken place.

b. The separate weighting factor must be computed to four decimal places.

c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.

3. ~~The weighting factor for each district will be adjusted proportionately over a period of two years, following the period of time provided in subsection 1 or 2, until the adjusted weighting factor equals the weighting factor for the combined enrollment resulting from the reorganization.~~ At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 8 of this Act.

~~4. Notwithstanding the provisions of any other law, no school district may receive less in per student payments for the first year of its reorganization than the total amount that the districts participating in the reorganization received in per student payments for the school year immediately preceding the reorganization. If less than a whole school district participated in a reorganization, the superintendent of public instruction shall prorate the payments to which the newly reorganized district is entitled under this subsection.~~

**SECTION 19. AMENDMENT.** Section 15.1-27-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-18. Per student payments - Eligibility ~~- Minimum amounts.~~**

1. In order to be counted for the purpose of calculating per student payments, as provided for by this chapter, a high school student must be enrolled in at least four high school units. The units may include career and technical education courses offered in accordance with chapter 15-20.1 and courses that are approved by the superintendent of public instruction and offered by another high school district.

2. If a student is enrolled for graduation in a nonpublic school or if a student is taking fewer than four high school units and is enrolled in an approved alternative high school education program, the school district in which the student is enrolled is entitled to receive proportionate payments.

~~3. Each high school district must receive at least as much in total per student payments as it would have received if it had the highest number of students in the next lower weighting category.~~

**SECTION 20. AMENDMENT.** Section 15.1-27-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-19. Summer school courses and programs - ~~Proportionate payments~~ Payments to school districts.**

1. ~~Each school district that offers summer school courses at the high school level is entitled to receive proportionate payments provided each course offered~~ Before a weight may be assigned under section 7 of this Act for a student enrolled in a high school summer course, the superintendent of public instruction shall verify that the course satisfies requirements for graduation, comprises at least as many clock-hours as courses offered during the regular school term, and complies with rules adopted by the superintendent of public instruction.

2. ~~A school district that offers remedial~~ Before a weight may be assigned under section 7 of this Act for a student enrolled in an elementary summer ~~school programs at the elementary level is entitled to receive proportionate payments provided the programs comply~~ program, the superintendent of public instruction shall verify that the program complies with rules adopted by the superintendent of public instruction.

~~3. The superintendent of public instruction may adopt rules regarding proportionate payments for remedial summer school programs at the elementary level and summer school courses at the high school level.~~

~~4. Proportionate payments made under this section during a biennium for summer school courses or programs may not exceed one and one-half percent of the total amount appropriated by the legislative assembly for state aid payments during the biennium, or eight million dollars, whichever is less. No more than seventy-five percent of the amount made available under this subsection may be used to support summer school courses at the high school level and no more than twenty-five percent of the amount made available under this subsection may be used to support remedial summer school programs at the elementary level.~~

**SECTION 21. AMENDMENT.** Section 15.1-27-20 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-20. ~~Per student~~ State aid payments - Claim by school district - Appeal.**

1. ~~Upon the completion of student registration and in no event later than September tenth of each year, the business manager of a school district claiming payments from state funds under the provisions of this chapter shall file a claim in the form and manner prescribed by the superintendent of public instruction. The business manager must provide the number of registered high school and elementary school students for whom payments are claimed and any other information requested by the superintendent of public instruction.~~

~~2. The superintendent of public instruction shall compute the per student payments on the basis of the previous year's average daily membership less the number of students attending school during the current school year in another district under the provisions of open enrollment or the current year's fall enrollment, whichever provides the greater total payment. The superintendent shall make adjustments in the subsequent year according to a comparison between the average daily membership for the year for which the adjusted payment is being made and the year preceding the year for which the adjusted payment is being made, whichever is greater, for grade levels that existed in both years. The greater of the two preceding years' average daily membership must be used in computing any adjustment in a district's per student aid payments.~~

~~3. School districts educating children of agricultural migratory workers and school districts offering approved summer courses during the months of~~

~~June, July, and August are not restricted to payments for a one hundred eighty-day school term.~~

4. ~~Upon termination of the school year, the business manager of each school district that has received payments from state funds under the provisions of this chapter shall file with the school board a verified statement of the name, residence, and membership of each student and the units of high school work taken by each enrolled student.~~

5. ~~On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction, in the form and manner prescribed by the superintendent, the students in average daily membership for the recently completed school year. The superintendent shall notify the school district of any student average daily membership that is disallowed.~~

6. ~~A~~ Any school district claiming state aid payments under this chapter shall provide to the superintendent of public instruction, at the time and in the manner requested by the superintendent, all information necessary for the processing of the claim.

2. If the superintendent of public instruction denies a district's claim for state aid payments, in whole or in part, the district may appeal the determination of the superintendent by ~~submitting a written appeal to~~ filing a written notice with the superintendent ~~of public instruction on or before September fifteenth of the year in which the~~, within thirty days from the date on which the district received the original determination ~~is made~~. The superintendent of public instruction may modify the original determination if the evidence submitted by the district justifies a modification. Upon appeal, or ~~in a case when no~~ if a timely appeal is not made, the determination of the superintendent ~~of public instruction~~ is final.

**SECTION 22.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**General fund levy - Impact on state aid.**

1. If in the first year of the 2007-09 biennium the general fund levy of a school district is less than one hundred fifty mills, the superintendent of public instruction shall:

   a. Determine the difference in mills between the district's general fund levy and one hundred fifty;

   b. Multiply the difference in mills determined under subsection 1 by the district's total taxable valuation; and

   c. Subtract the dollar amount determined under subsection 2 from the total amount of state aid to which the district is otherwise entitled.

2. If in the second year of the 2007-09 biennium and each year thereafter, the general fund levy of a school district is less than one hundred fifty-five mills, the superintendent of public instruction shall:

   a. Determine the difference in mills between the district's general fund levy and one hundred fifty-five;

   b. Multiply the difference in mills determined under subsection 1 by the district's total taxable valuation; and

c. Subtract the dollar amount determined under subsection 2 from the total amount of state aid to which the district is otherwise entitled.

**SECTION 23.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Taxable valuation - Impact on state aid.** If a school district's imputed taxable valuation per student is greater than one hundred fifty percent of the state average imputed taxable valuation per student, the superintendent of public instruction shall:

1. Determine the difference between the district's imputed taxable valuation per student and one hundred fifty percent of the state average imputed taxable valuation per student;

2. Multiply the dollar amount determined under subsection 1 by the district's average daily membership;

3. Multiply the dollar amount determined under subsection 2 by one hundred eighty-five mills;

4. Multiply the dollar amount determined under subsection 3 by a factor of 0.75; and

5. Subtract the dollar amount determined under subsection 4 from the total amount of state aid to which the district is otherwise entitled.

**SECTION 24. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35. Average daily membership - Calculation.**

1. Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given ~~classroom~~ grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given ~~classroom~~ grade, school, or school district is absent during a school calendar, and then dividing the sum by ~~one~~ the greater of:

   a. The school district's calendar; or

   b. One hundred eighty.

2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:

   ~~1.~~ a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;

   ~~2.~~ b. The two days set aside for professional development activities under section 15.1-06-04; and

   ~~3.~~ c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.

3. For purposes of calculating average daily membership:

a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

b. During the 2007-08 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 0.50. Beginning with the 2008-09 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Reduction in grade levels.** If a school district offers fewer grade levels than the district offered the previous school year, the superintendent of public instruction shall determine the district's average daily membership using only those grade levels that the district offers during the current school year.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Dissolved school districts.** For purposes of determining state aid, the superintendent of public instruction shall amend the average daily membership of any school district that enrolls students who attended a dissolved school district during the school year prior to the dissolution.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance.** The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance - Exception.** Notwithstanding the provisions of section 27 of this Act, the superintendent of public instruction may not include any distribution provided for in the final subsection of section 28 of chapter 167 of the 2005 Session Laws, as amended in 2007 Senate Bill No. 2013 and approved by the sixtieth legislative assembly, in determining the unobligated general fund balance of a school district.

**SECTION 29. AMENDMENT.** Section 15.1-28-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-28-03. State tuition fund - Apportionment - Payment.** On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the state tuition fund. The superintendent shall ~~apportion the fund among the school districts of the state in proportion to the number of school-age children residing in each district, as shown by the latest enumeration provided for by law and pay the amount apportioned to each school district. The superintendent shall make the payments required by this section at the same time as the per student payments required~~ include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

**SECTION 30. AMENDMENT.** Section 15.1-29-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-01. Education of students in bordering states - Payment of tuition.**

1. ~~Students~~ A student may attend a school in a bordering state in accordance with section 15.1-29-02 ~~under the following circumstances~~ provided:

   a. (1) ~~A~~ The student ~~who~~ lives within forty miles [64.37 kilometers] of another state; or

      (2) The student lives in a county bordering on another state ~~may, with the~~; and

   b. The student has received approval ~~of~~ from the ~~school~~ board~~, attend a public school in a bordering state.~~

   ~~b. A student who has attended a school district in a bordering state since, and including, the 1990-91 school year must be permitted to continue attending school in the district in the bordering state.~~

   ~~c. A student whose sibling attended an out-of-state school during or before the 1990-91 school year must be permitted to attend school in the district the sibling attended in the bordering state~~ of the student's school district of residence.

2. If the school board of the district in which the student resides denies a request for a student's attendance in and payment of tuition to another state, the student's parent may appeal the decision to the three-member committee referenced in section 15.1-29-06.

   a. If the three-member committee determines that the student meets the terms of subdivision b or c of subsection 1, the student may attend school in the bordering state and the board of the student's school district of residence shall pay the tuition.

   b. If the three-member committee determines the student falls within the terms of subdivision a of subsection 1, then the three-member committee shall make its decision using the criteria specified in section 15.1-29-06.

   c. Notwithstanding the provisions of this section, if a student's school district of residence does not provide for the education of kindergarten students, the district may not pay tuition for a kindergarten student to attend school in a bordering state.

   d. Any decision by the three-member committee regarding the payment of tuition for high school, elementary, or kindergarten students may be

appealed by the school board or by the student's parent to the state board of public school education. A decision by the state board is final.

3. ~~a.~~ ~~The superintendent of public instruction shall forward all state aid payments for a~~ A student attending an out-of-state school ~~to~~ under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.

   ~~b.~~ The student's district of residence may reduce any tuition payment it must make to an out-of-state school by an amount commensurate with the tuition costs the district would be entitled to receive as compensation for a student from the out-of-state district enrolled in its school.

4. Nothing in this section requires that a school district of residence provide student transportation or payments in lieu of transportation for students attending out-of-state schools.

**SECTION 31. AMENDMENT.** Section 15.1-29-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-02. Education of students in bordering states - Contract - Tuition.**

1. A school district may contract with a school district in a bordering state for the education of students. A contract between school districts must provide for the payment of tuition at an agreed-upon amount.

2. ~~For purposes of per student payments and tuition apportionment payments, a~~ A student who attends school in a bordering state under a contract provided for by this section is deemed to be in attendance in the student's school district of residence. The student's school district of residence is liable to the school district of the bordering state for payments as provided in the contract.

3. A school district in this state may not agree to accept ~~students~~ a student from a bordering state unless the tuition payable equals or exceeds the ~~per student payment plus the tuition apportionment payment~~ amount of state aid that the district would have received from this state for a student in the same grade if ~~its~~ that student had been attending school in the bordering state.

**SECTION 32. AMENDMENT.** Section 15.1-29-12 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-12. Tuition payments - Determination.**

1. Except as provided in section 15.1-29-13, a school district sending a student to another district for purposes of education shall pay the full cost of education incurred by the admitting district.

2. a. The admitting district shall determine the cost of education per student for its kindergarten, elementary, and high school students on the basis of its average daily membership and those expenditures permitted in determining the cost of education per student in section 15.1-27-03.

   b. To the cost of education per student, the admitting district shall add the latest available statewide average per student cost for extracurricular activities and the state average capital outlay per student. The state average capital outlay per student is determined

by dividing the total of all school districts' annual expenditures for sinking and interest funds, tax receipts to the building funds, and general fund expenditures for capital outlay by the average daily membership of the state.

c. The admitting district shall subtract the following from the amount arrived at under subdivision b:

(1) The ~~weighted~~ per student payment ~~received by the admitting district, less the average amount per North Dakota resident student enrolled in the school district realized from the deductions applied under section 15.1-27-06~~ multiplied by the admitting district's school size weighting factor; and

(2) Any credit for taxes paid to the admitting district by the student's parent.

d. The amount remaining is the full cost of education incurred by the admitting district and the tuition amount payable for the individual student. This chapter does not affect the right of a school board to charge and collect tuition from students who are not residents of this state, in accordance with section 15.1-29-02.

**SECTION 33. AMENDMENT.** Section 15.1-29-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-14. Student placement for noneducational purposes - Residency determination - Payment of tuition and tutoring charges.**

1. a. Except as provided in subdivision b, for purposes of applying this chapter, a student's school district of residence is the district in which the student's custodial parent or legal guardian resides:

(1) At the time that a state court, tribal court, juvenile supervisor, or the division of juvenile services issues an order requiring the student to stay for a prescribed period at a state-licensed foster home or at a state-licensed child care home or facility;

(2) At the time a county or state social service agency places the student, with the consent of the student's parent or legal guardian, at a state-licensed foster home or at a state-licensed child care home or facility;

(3) At the time the student is initially placed in a state-operated institution, even if the student is later placed at a state-licensed foster home or at a state-licensed child care home or facility; or

(4) At the time the student is placed voluntarily, by a parent or legal guardian, in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1.

b. A determination regarding the student's school district of residence made under subdivision a is valid until the September fifteenth following the determination. On that date and each September fifteenth thereafter, the placing agency or the entity funding the student's placement shall determine the district in which the student's custodial parent or legal guardian resides and shall notify the district that it is deemed to be the student's district of residence for purposes

of this chapter. If, however, the student is placed in accordance with paragraph 4 of subdivision a and the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this subdivision.

2. The student's school district of residence is obligated to pay:

   a. All charges for tuition upon claim of the admitting district; and

   b. All charges for tutoring services upon claim of an admitting facility, provided that the tutoring services are delivered by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board.

3. The state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for state aid to schools if, on the September fifteenth after a student placement is made as provided for under subsection 1:

   a. The student's custodial parent or legal guardian establishes residency outside this state;

   b. A court orders a termination of parental rights with respect to the student's parents;

   c. The student no longer has a custodial parent; or

   d. The superintendent of public instruction has determined that all reasonable efforts to locate a parent or legal guardian have been unsuccessful.

4. If the student is voluntarily admitted to a state-licensed child care home or facility, or to a state-operated institution, the student's parent or, if one has been appointed, the student's legal guardian may appeal a determination under section 15.1-29-05 regarding the payment of tuition by filing a petition with the county superintendent of schools. Within fifteen days of receiving the petition, the three-member committee established under section 15.1-29-06 shall consult with the boards of the affected school districts and with the student's parent or legal guardian and render a decision regarding responsibility for the payment of tuition charges.

5. If the student's district of residence does not pay the required tuition, the admitting district or facility shall notify the superintendent of public instruction. Upon verification that tuition payments and tutoring charges are due and unpaid, the superintendent shall withhold an amount equal to the unpaid tuition and tutoring charges from state aid otherwise payable to the student's school district of residence until the tuition and tutoring charges that are due ~~has~~ have been fully paid.

6. An amount equal to the state average per student elementary or high school cost, depending on the student's grade of enrollment, is payable to the admitting district or facility as part of the cost of educating the student for the school year. The payment may not exceed the actual per student cost incurred by the admitting district or facility. The remainder of the actual cost of educating the student not covered by other payments or credits must be paid by the state, within the limits of legislative appropriations, from funds appropriated for the payment of special education contract charges in the case of a student with disabilities or from state aid payments to schools in all other cases.

7. If a student with disabilities placed in accordance with this section reaches age eighteen and continues to receive special education and related services, the student's school district of residence is deemed to be the same as that of the student's custodial parent until the special education services are concluded. The obligations of the student's school district of residence as provided in subsection 2 and the obligations of the state as provided in subsection 3 are applicable to all students described in this subsection.

8. a. The placing agency or entity funding the student's placement shall provide written or electronic notice regarding an initial placement and all subsequent placements of a student to the superintendent of the student's school district of residence and to the superintendent of the admitting district:

(1) Within five working days after a placement is made under court order;

(2) Within five working days after an emergency placement is made; or

(3) At least ten working days prior to any other placement.

b. If, however, the student's parent or legal guardian voluntarily places the student in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1, and if the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this section.

c. The notice must include any information requested by the superintendent of public instruction for purposes of determining payment responsibility.

d. The placing agency shall afford the student's school district of residence reasonable opportunity to participate in permanency planning for the student.

9. Notwithstanding this section, educational services provided to a student by the youth correctional center are not subject to the payment of tuition and tutoring charges by either the student's school district of residence or the superintendent of public instruction.

10. For purposes of this section, "custodial parent" means the parent who has been awarded sole legal and physical custody of the student in a legal proceeding or, if there is currently no operative custody order, the parent with whom the student resides. If the student resides with both parents, then both are custodial parents.

**SECTION 34. AMENDMENT.** Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-15. Levy for tuition payments.** If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to subdivision c of subsection 1 of section 57-15-14.2.

**SECTION 35. AMENDMENT.** Section 15.1-31-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-03. Open enrollment - ~~Per-student~~ State aid ~~- Tuition apportionment~~.**

1. Once a student is enrolled in an admitting district, the student must remain enrolled in the admitting district until:

   a. The student graduates;

   b. The student relocates to another district;

   c. The student's parent applies for enrollment in another school district; or

   d. The student's parent notifies the student's school district of residence that the student will attend school in the school district of residence the following year.

2. ~~Payment for per-student aid must be made to the admitting district in accordance with chapter 15.1-27.~~

3. ~~For purposes of tuition apportionment payments, a student whose application is approved under this section is considered a resident of the admitting district.~~

4. Except as specifically provided in this chapter, chapter 15.1-29 does not apply to students involved in open enrollment.

**SECTION 36. AMENDMENT.** Section 15.1-31-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-04. Open enrollment - Students with disabilities - Additional costs.** If an application under this chapter is approved for a student with a disability, the board of the student's school district of residence shall pay to the admitting district the costs incurred by the admitting district in providing special education and related services to the student ~~up to a maximum each school year of two and one-half times the state average per-student elementary or high school cost, depending on the student's enrollment level, plus twenty percent of all remaining costs. The superintendent of public instruction shall reimburse the admitting district eighty percent of the remainder of the cost of educating the student with disabilities within the limits of legislative appropriations for that purpose~~. The superintendent of public instruction shall reimburse the student's school district of residence for all excess costs, as defined in section 15.1-32-18.

**SECTION 37. AMENDMENT.** Section 15.1-31-07 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-07. Students not subject to this chapter.** If a student, as a result of a school district dissolution or reorganization, resides in a district other than the one the student chooses to attend at the time of the dissolution or reorganization, the student is not subject to this chapter and may attend school in the chosen school district. ~~Notwithstanding section 15.1-28-03, the superintendent of public instruction shall forward payments from the state tuition fund made on behalf of the student to the student's chosen school district. The student may not be considered a student in average daily membership in the student's school district of residence for purposes of section 15.1-31-02.~~

**SECTION 38. AMENDMENT.** Section 15.1-32-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-08. School districts - Provision of special education.** Each school district shall provide special education~~, singly or jointly with other districts,~~ and related services as a single district, as a member of a multidistrict special education unit in accordance with ~~this~~ chapter 15.1-33, or as a participating district in an educational association approved by the superintendent of public instruction under section 15.1-07-28. Each school district and entity providing special education shall cooperate with the director of special education and with the institutions of this state in the provision of special education.

**SECTION 39. AMENDMENT.** Section 15.1-32-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-14. Special education ~~per student payments~~ students - Contracts for placement.**

1. ~~If a student with disabilities receives special education services, the superintendent of public instruction shall forward any per student payments, payable on behalf of that student, directly to the school district in which the student receives such services.~~

2. ~~If a student with disabilities attends a special education summer program required by the student's individualized education program or services plan and approved by the superintendent of public instruction, the superintendent of public instruction shall forward any additional prorated per student payments, payable on behalf of the student, directly to the school district in which the student receives such services.~~

3. ~~If a student who is enrolled in a nonpublic school receives special education services in a public school, the superintendent of public instruction shall forward a proportionate per student payment to the school district in which the student receives the services.~~

4. ~~a.~~ If in the opinion of an individualized education program team or a services plan team a student is unable to attend a public school in the special education unit to which the student's school district of residence belongs, the student's school district of residence shall contract with another public school that:

   ~~(1)~~ a. Does not belong to the same special education unit;

   ~~(2)~~ b. Is located in this state;

   ~~(3)~~ c. Is willing to admit the student; and

   ~~(4)~~ d. Is able to provide appropriate services to the student.

~~b.~~ 2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting school.

~~c.~~ 3. The contract must provide that the student's school district of residence ~~agrees to pay to the district in which the student receives services, as part of~~ is liable for the cost of educating the student ~~for the school year, an amount equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs. The amount paid may not exceed the actual per student cost incurred by the admitting~~

~~school, less any per student payment received on behalf of the student under this section.~~

~~d. The liability of the student's school district of residence must be reduced proportionately if the student attends the admitting school for less than an entire school year.~~

~~e.~~ 4. Upon being notified by the district in which the student receives services that ~~tuition payments provided for by this section are due and unpaid~~ the student's school district of residence has not paid for services that were provided to the student, the superintendent of public instruction, after verification, shall withhold all state aid payments to which the student's school district of residence is entitled, until the ~~tuition due has been paid.~~

~~f.~~ ~~The superintendent of public instruction shall provide to the school district in which the student receives services, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits~~ required payments have been made.

**SECTION 40. AMENDMENT.** Section 15.1-32-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-15. Student with disabilities - Attendance at private institution or out-of-state public school.**

1. If in the opinion of an individualized education program team or an education services team a student is unable to attend a public school in the student's school district of residence because of a physical disability, a mental disability, or a learning disability, and if no public school in the state will accept the student and provide the necessary services, the student's school district of residence shall contract with:

   a. A private, accredited, nonsectarian, nonprofit institution that is located within or outside of this state and which has the proper facilities for the education of the student; or

   b. A public school located outside of this state that has proper facilities for the education of the student.

2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting institution or school.

3. The contract must provide that the student's school district of residence ~~shall pay to the institution or school, as part of~~ is liable for the cost of educating the student~~, an amount for the school year equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs.~~

~~4. The amount paid may not exceed the actual per student cost incurred by the institution or school.~~

~~5. The superintendent of public instruction shall provide to the student's school district of residence, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits.~~

~~6. The school district of residence is entitled to the per student payment for a student who receives services under this section.~~

4. A student who receives services under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.

**SECTION 41. AMENDMENT.** Section 15.1-32-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-16. Transportation services ~~- State reimbursement~~.** If a student's individualized education program or services plan requires the provision of transportation services, the student's school district of residence shall provide the services by any reasonably prudent means, including a regularly scheduled schoolbus, public transit, commercial transportation, chartered or other contracted transportation, and transportation provided by the student's parent or other responsible party.

**SECTION 42. AMENDMENT.** Section 15.1-32-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-18. Cost - Liability of school district for special education.** ~~If the cost of providing special education and related services to a student with disabilities, as determined by the superintendent of public instruction, exceeds the reimbursement provided by the state, the student's school district of residence is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of two and one-half times the state average per student elementary cost of education or high school cost of education, depending on the student's level of enrollment, plus twenty percent of all remaining costs. The two and one-half times amount includes the amount that the school district is required to pay under section 15.1-32-14. The state is liable for eighty percent of the remaining cost of education and related services for each such student with disabilities within the limits of legislative appropriations.~~

1. Each year the superintendent of public instruction shall identify the approximately one percent of special education students statewide who are not eligible for cost reimbursement under section 15.1-29-14 and who require the greatest school district expenditures in order to provide them with special education and related services. This percentage represents the number of students that would qualify for excess cost reimbursement beyond the multiplier that is established in subsection 3.

2. The excess costs of providing special education and related services to these students are the responsibility of the state and the superintendent of public instruction shall reimburse the school districts for any excess costs incurred in the provision of special education and related services to the identified students.

3. "Excess costs" are those that exceed four and one-half times the state average cost of education per student and which are incurred by the special education students identified in subsection 1.

4. All costs of providing special education and related services to those students identified in subsection 1, other than excess costs reimbursed by the state, are the responsibility of the student's school district of residence.

**SECTION 43. AMENDMENT.** Section 15.1-33-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-33-02. Multidistrict special education units - School district participation.** A school district may join a multidistrict special education unit or

together with other school districts form a multidistrict special education unit for purposes of planning and delivering special education and related services. ~~Each school district shall participate in a multidistrict special education unit or have on file with the superintendent of public instruction a plan for providing special education and related services as a single district.~~ If a school district wishes to join a multidistrict special education unit from which it has been excluded, the school district may petition the superintendent of public instruction. A school district may appeal a decision of the superintendent under this section to the state board of public school education.

**SECTION 44. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed ~~forty~~ fifty million dollars. The board may adopt policies and rules governing school construction loans.

2. In order to be eligible for a loan under this section, the board of a school district shall:

   a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;

   b. Obtain the approval of the superintendent of public instruction for ~~its~~ the construction project under section 15.1-36-01; and

   ~~b.~~ c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.

3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.

4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of eight million dollars or eighty percent of the actual project cost;

   b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

   c. A term of repayment that may extend up to twenty years.

5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of seven million dollars or seventy percent of the actual project cost;

b. An interest rate buydown equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

c. A term of repayment that may extend up to twenty years.

6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:

a. A school construction loan equal to the lesser of two and one-half million dollars or thirty percent of the actual project cost;

b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

c. A term of repayment that may extend up to twenty years.

7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.

~~4.~~ 8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.

~~5.~~ 9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount~~. In determining the amount of a loan, the superintendent shall take into account the cost of the construction project and the fiscal capacity of the school district.~~

~~6. If the superintendent of public instruction approves the loan, the superintendent may determine the interest rate to be paid. The interest rate on a loan under this section may not exceed a rate of two percent below the net interest rate on comparable tax-exempt obligations as determined on the date the application is approved by the superintendent pursuant to section 15.1-36-01. The interest rate may not exceed six percent.~~

~~7. A school district may not receive a loan under this section unless the superintendent of public instruction determines that the district has an existing indebtedness equal to at least fifteen percent of its taxable valuation. In determining a school district's existing indebtedness, the superintendent shall include outstanding indebtedness authorized by an election under section 21-03-07 but not issued and indebtedness authorized to be paid with dedicated tax levies under subsection 7 of section 21-03-07 but not issued~~, the term of the loan, and the interest rate, in accordance with the requirements of this section.

~~8.~~ 10. The superintendent of public instruction may adopt rules governing school construction loans.

~~9.~~ 11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority ~~and further provided that the acquisition or activity is estimated to cost in excess of fifty thousand dollars~~.

**SECTION 45.** A new section to chapter 15.1-36 of the North Dakota Century Code is created and enacted as follows:

**School construction projects - Reorganized districts - Interest subsidy.**

1. If under chapter 15.1-12 two or more school districts prepare a reorganization plan, agree in that plan to pursue a construction project, and obtain the approval of the superintendent of public instruction in accordance with this chapter, the newly reorganized district is eligible to receive up to three hundred basis points of interest rate buydown on the lesser of:

   a. Thirteen million five hundred thousand dollars; or

   b. A percentage of the total project cost determined by:

      (1) Allowing five percent for each school district that participated in the reorganization;

      (2) Allowing five percent for each one hundred-square-mile [259-square-kilometer] increment that is added to the square miles [kilometers] of the geographically largest district participating in the reorganization;

      (3) Allowing five percent for every ten students added to the enrollment of the district having the greatest number of enrolled students and participating in the reorganization; and

      (4) Capping the allowable percentage at ninety percent of the total project cost.

2. In addition to the requirements of subsection 1, the percentage of cost subsidy determined under subdivision b of subsection 1 must equal at least twenty percent of the total project cost.

**SECTION 46.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**English language learner - Definition.** English language learner means a student who:

1. Is at least five years of age but has not reached the age of twenty-two;

2. Is enrolled in a school district in this state;

3. Has a primary language other than English or comes from an environment in which a language other than English significantly impacts the individual's level of English language proficiency; and

4. Has difficulty speaking, reading, writing, and understanding English, as evidenced by a language proficiency test approved by the superintendent of public instruction and aligned to the state English language proficiency standards and the state language proficiency test.

**SECTION 47.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**New immigrant English language learner - Definition.** A new immigrant English language learner is an English language learner who was not born in the United

States and has not attended school in the United States for more than three school years or the monthly equivalent of three school years.

**SECTION 48. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. Tax levy limitations in school districts.** The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus eighteen percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:

   a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.

   b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.

2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.

~~3. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.~~

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the number of persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is

located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 49. NORTH DAKOTA COMMISSION ON EDUCATION IMPROVEMENT - MEMBERSHIP - DUTIES - REPORT TO LEGISLATIVE COUNCIL - REIMBURSEMENT FOR EXPENSES.**

1. The North Dakota commission on education improvement consists of:

   a. (1) The governor or an individual designated by the governor, who shall serve as the chairman;

   (2) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than one thousand students in average daily membership;

   (3) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than two hundred twenty but fewer than one thousand students in average daily membership;

   (4) One individual, appointed by the governor, who is employed as the superintendent of a high school district having fewer than two hundred twenty students in average daily membership;

   (5) One individual, appointed by the governor, who is employed as a school district business manager;

   (6) The chairman of the senate education committee or the chairman's designee;

   (7) The chairman of the house education committee or the chairman's designee;

   (8) The senate minority leader or the leader's designee;

   (9) One legislator appointed by the chairman of the legislative council; and

   (10) The superintendent of public instruction or an assistant superintendent designated by the superintendent of public instruction; and

   b. One nonvoting member representing the North Dakota council of educational leaders, one nonvoting member representing the North Dakota education association, and one nonvoting member representing the North Dakota school boards association.

2. The commission shall establish its own duties and rules of operation and procedure, including rules relating to appointments, terms of office, vacancies, quorums, and meetings, provided that the duties and the rules do not conflict with any provisions of this section.

3. The members of the commission are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials. The superintendent of public instruction shall use up to $40,000 from moneys appropriated in the grants - state school aid line item in section 3

of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, to provide the reimbursements.

4. The commission shall examine the current system of delivering and financing public elementary and secondary education and shall develop recommendations addressing educational adequacy, the equitable distribution of state education funds, the allocation of funding responsibility between federal, state, and local sources, and any other matters that could result in the improvement of elementary and secondary education in the state.

5. The commission shall provide periodic reports to the governor and to the legislative council.

**SECTION 50. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO LEGISLATIVE COUNCIL.**

1. During the 2007-09 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2007.

2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2007-09 biennium by:

   a. Determining the total amount of state dollars received by each district during the 2005-07 biennium as per student payments, tuition apportionment payments, special education per student payments, and English language learner payments;

   b. Determining the total amount of state dollars received by each district during the 2007-09 biennium as per student payments, provided that neither equity payments under section 15.1-27-11 nor contingency distributions are to be included in the total; and

   c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.

3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.

4. a. The provisions of this section do not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with the provisions of subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.

   b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.

   c. The superintendent of public instruction shall report all notices received under this subsection to an interim committee designated by the legislative council.

**SECTION 51. MILITARY INSTALLATION SCHOOL DISTRICTS - ELIGIBILITY FOR STATE AID AND EQUITY PAYMENTS.** If at any time the board of a United States military installation school district assumes responsibility for the direct provision of education to its students, the superintendent of public instruction shall include all students being educated by the board in the district's average daily membership, both for purposes of determining any state aid to which the district is entitled and for purposes of determining any equity payments to which the district is entitled under section 15.1-27-11.

**SECTION 52. AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS - COST-SHARE INCENTIVES.**

1. The state board for career and technical education shall use $1,200,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to award grants for the purpose of assisting with the establishment of at least two new area career and technology centers in areas of the state that, as of July 1, 2007, are not served by an existing center. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a number of students who will be served and to alignment of the proposed area career and technology center with existing educational associations governed by joint powers agreements.

2. The state board for career and technical education shall use $800,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to increase cost-share incentives for area career and technology centers.

**SECTION 53. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent shall:

1. Use the first $1,000,000, or so much of that amount as may be necessary, to pay any state obligations in excess of the amount appropriated for special education contract charges;

2. Use the next $1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school districts participating in educational associations that are governed by a joint powers agreement and which have been reviewed by the superintendent of public instruction and verified as meeting the requirements of section 15.1-07-28;

3. Use the next $450,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts serving English language learners and new immigrant English language learners, in accordance with chapter 15.1-38;

4. Use the next $200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2007-09 biennium; and

5. Use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 54. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent of public instruction determines that, using all

available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-first legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 55. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed.

**SECTION 56. REPEAL.** Sections 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code are repealed.

**SECTION 57. EXPIRATION DATE.** Section 28 of this Act is effective through June 30, 2007, and after that date is ineffective.

**SECTION 58. EMERGENCY.** Sections 28, 49, 55, and 57 of this Act are declared to be an emergency measure."

Renumber accordingly

Date: 3/26/07
Roll Call Vote #: 1

## 2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2200

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0914

Action Taken Adopt amendment 0914

Motion Made By Monson Seconded By

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Svedjan | | | | | |
| Vice Chairman Kempenich | | | | | |
| | | | | | |
| Representative Wald | | | Representative Aarsvold | | |
| Representative Monson | | | Representative Gulleson | | |
| Representative Hawken | | | | | |
| Representative Klein | | | | | |
| Representative Martinson | | | | | |
| | | | | | |
| Representative Carlson | | | Representative Glassheim | | |
| Representative Carlisle | | | Representative Kroeber | | |
| Representative Skarphol | | | Representative Williams | | |
| Representative Thoreson | | | | | |
| | | | | | |
| Representative Pollert | | | Representative Ekstrom | | |
| Representative Bellew | | | Representative Kerzman | | |
| Representative Kreidt | | | Representative Metcalf | | |
| Representative Nelson | | | | | |
| Representative Wieland | | | | | |
| | | | | | |
| | | | | | |

Total (Yes) No

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Voice Vote - Carried

Date: 3/26/07
Roll Call Vote #: 2

## 2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2200

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Amend as described below

Motion Made By Skarphol Seconded By Kempenich

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Svedjan | | | | | |
| Vice Chairman Kempenich | | | | | |
| | | | | | |
| Representative Wald | | | Representative Aarsvold | | |
| Representative Monson | | | Representative Gulleson | | |
| Representative Hawken | | | | | |
| Representative Klein | | | | | |
| Representative Martinson | | | | | |
| | | | | | |
| Representative Carlson | | | Representative Glassheim | | |
| Representative Carlisle | | | Representative Kroeber | | |
| Representative Skarphol | | | Representative Williams | | |
| Representative Thoreson | | | | | |
| | | | | | |
| Representative Pollert | | | Representative Ekstrom | | |
| Representative Bellew | | | Representative Kerzman | | |
| Representative Kreidt | | | Representative Metcalf | | |
| Representative Nelson | | | | | |
| Representative Wieland | | | | | |
| | | | | | |
| | | | | | |

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Remove language in bill that relates to the imputed value on mineral revenue.

Voice Vote - Fail

Date: 3/26/07
Roll Call Vote #: 3

## 2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2201

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70120.0914

Action Taken Do Pass as amended by 0914

Motion Made By Monson Seconded By Hawken

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Chairman Svedjan | ✓ | | | | |
| Vice Chairman Kempenich | | ✓ | | | |
| | | | | | |
| Representative Wald | ✓ | | Representative Aarsvold | ✓ | |
| Representative Monson | ✓ | | Representative Gulleson | ✓ | |
| Representative Hawken | ✓ | | | | |
| Representative Klein | ✓ | | | | |
| Representative Martinson | ✓ | | | | |
| | | | | | |
| Representative Carlson | ✓ | | Representative Glassheim | ✓ | |
| Representative Carlisle | ✓ | | Representative Kroeber | ✓ | |
| Representative Skarphol | | ✓ | Representative Williams | ✓ | |
| Representative Thoreson | ✓ | | | | |
| | | | | | |
| Representative Pollert | ✓ | | Representative Ekstrom | | ✓ |
| Representative Bellew | | ✓ | Representative Kerzman | | ✓ |
| Representative Kreidt | ✓ | | Representative Metcalf | ✓ | |
| Representative Nelson | | ✓ | | | |
| Representative Wieland | ✓ | | | | |
| | | | | | |
| | | | | | |

Total (Yes) 18 No 6

Absent 0

Floor Assignment Monson

If the vote is on an amendment, briefly indicate intent:

## REPORT OF STANDING COMMITTEE

**SB 2200, as engrossed and amended: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2200, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1027-1030 of the House Journal, Engrossed Senate Bill No. 2200 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact ten new sections to chapter 15.1-27, a new section to chapter 15.1-36, and two new sections to chapter 15.1-38 of the North Dakota Century Code, relating to the determination of state aid to school districts; to amend and reenact section 15.1-02-09, subsection 4 of section 15.1-06-04, subsection 6 of section 15.1-07-28, and sections 15.1-23-19, 15.1-27-01, 15.1-27-02, 15.1-27-04, 15.1-27-08, 15.1-27-09, 15.1-27-10, 15.1-27-11, 15.1-27-15, 15.1-27-16, 15.1-27-17, 15.1-27-18, 15.1-27-19, 15.1-27-20, 15.1-27-35, 15.1-28-03, 15.1-29-01, 15.1-29-02, 15.1-29-12, 15.1-29-14, 15.1-29-15, 15.1-31-03, 15.1-31-04, 15.1-31-07, 15.1-32-08, 15.1-32-14, 15.1-32-15, 15.1-32-16, 15.1-32-18, 15.1-33-02, 15.1-36-02, and 57-15-14 of the North Dakota Century Code, relating to the determination of state aid to school districts; to repeal sections 15.1-09-46, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to the school district census, the school district equalization factor, weighting factors, supplemental payments, additional per student payments, property valuations, and teacher compensation payments; to provide for a commission on education improvement; to provide for teacher compensation increases; to provide for future determinations of average daily membership; to provide for contingent payments; to provide for a contingent transfer; to provide for reports to the legislative council; to provide an expiration date; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-02-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-09. School district finance facts report - Contents.** The superintendent of public instruction shall submit an annual report on the financial condition of school districts to the governor, legislative council, and the secretary of state by the end of February. The secretary of state shall transmit the report to state archivist for official and public use. The report must include:

1. The number of school districts in the state.
2. The financial condition of each school district, including its receipts and expenditures.
3. The value of all property owned or controlled by each school district.
4. The cost of education in each school district.
5. The number of teachers employed by each school district and their salaries.
6. The number of students in average daily membership, in weighted average daily membership, and in average daily attendance, in each school district, the grades in which ~~they~~ the students are enrolled, and, when applicable, the courses in which ~~they~~ the students are enrolled.

7. Information regarding the state's approved nonpublic schools.

8. Other statistical data on public education in the state.

**SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. ~~A~~ During the 2007-08 school year, a full day of instruction consists of:

   ~~a.~~ (1) At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

   ~~b.~~ (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

   b. Beginning with the 2008-09 school year, a full day of instruction consists of:

      (1) At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

      (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 3. AMENDMENT.** Subsection 6 of section 15.1-07-28 of the North Dakota Century Code is amended and reenacted as follows:

6. The joint powers agreement provides for the employment and compensation of ~~any~~ staff ~~necessary to carry out the provisions of the agreement and the requirements of sections 15.1-06-04, 15.1-06-06, 15.1-07-28, 15.1-07-30, 15.1-09-01, 15.1-12-26, 15.1-12-27, 15.1-12-29, 15.1-18-07, 15.1-22-01, 15.1-27-04, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-11, 15.1-27-15, 15.1-27-35, 15.1-27-37, 15.1-27-39, 15.1-27-40, 15.1-28-03, 15.1-29-03, 15.1-29-04, and 15.1-29-12~~.

**SECTION 4. AMENDMENT.** Section 15.1-23-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-23-19. Home education - State aid to school districts.** For purposes of allocating state aid to school districts, a child receiving home education is ~~deemed enrolled in the child's school district of residence if the child is monitored by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and employed by the public school district in which the child resides. A school district is entitled to fifty percent of the per student payment provided in section 15.1-27-04 times the appropriate factor in section 15.1-27-06 or 15.1-27-07 for each child receiving home education. If a child receiving home education is enrolled in public school classes, proportionate payments must be made. The total amount may not exceed the equivalent of one full per student payment times the appropriate weighting factor~~ included in a school district's determination of average daily membership only for those days or portions of days that the child attends a public school.

**SECTION 5. AMENDMENT.** Section 15.1-27-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-01. Payments to school districts - Distribution.**

1. The superintendent of public instruction shall ~~determine~~ estimate the total state payments ~~made to each~~ to which a school district ~~during the previous fiscal~~ is entitled each year.

2. The superintendent of public instruction shall pay each district ten percent of the amount determined under subsection 1, within the limits of legislative appropriation, on or before August first and September first of each year. The superintendent shall pay each school district twenty percent of that amount, within the limits of legislative appropriation, on or before October first of each year.

3. The superintendent of public instruction shall ~~determine~~ estimate the amount that, in addition to the payments already made, is necessary to constitute the remainder of the amount due each district for the current school year.

4. On or before November first, the superintendent of public instruction shall pay to each district, within the limits of legislative appropriation, an amount that, in addition to the above payments, constitutes sixty percent of the sum due under this chapter.

5. On or before the first day of December, January, February, March, and April, payments equal to twenty percent of the total remaining payments must be made to each district.

6. If funds appropriated for distribution to districts as state aid become available after April first, the superintendent of public instruction shall distribute the newly available payments on or before June thirtieth.

**SECTION 6. AMENDMENT.** Section 15.1-27-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-02. Per student payments - Required reports.**

1. The superintendent of public instruction may not forward state aid payments to a school district beyond the October payment unless the district has filed the following with the superintendent:

   a. ~~An annual average daily~~ The June thirtieth student membership and attendance report~~.~~;

   b. An annual school district financial report~~.~~;

   c. The September tenth fall enrollment report~~.~~; and

   d. The personnel report forms for licensed and nonlicensed employees.

2. On or before December fifteenth, each school district shall file with the superintendent of public instruction the taxable valuation and mill levy certifications. If a district fails to file the taxable valuation and mill levy certifications by the required date, the superintendent of public instruction

may not forward to the district any state aid payments to which the district is entitled, until the taxable valuation and mill levy certifications are filed.

**SECTION 7.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:

   a. 1.00 the number of students enrolled in a migrant summer program;

   b. 1.00 the number of students enrolled in an extended educational program in accordance with section 15.1-32-17;

   c. 0.60 the number of students enrolled in a summer education program;

   d. 0.50 the number of students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

   e. 0.25 the number of students enrolled in an alternative high school;

   f. 0.25 the number of students enrolled in an isolated elementary school;

   g. 0.25 the number of students enrolled in an isolated high school;

   h. 0.20 the number of students attending school in a bordering state in accordance with section 15.1-29-01;

   i. 0.17 the number of students enrolled in an early childhood special education program;

   j. 0.14 the number of students enrolled in a new immigrant English language learner program;

   k. 0.067 the number of students enrolled in average daily membership, in order to support the provision of special education services; and

   l. 0.02 the number of students, other than those provided for in subdivision j, who are enrolled in an English language learner program.

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 8.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**School district size weighting factor - Weighted student units.**

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:

a. 1.25 if the students in average daily membership number fewer than 185;

b. 1.24 if the students in average daily membership number at least 185 but fewer than 200;

c. 1.23 if the students in average daily membership number at least 200 but fewer than 215;

d. 1.22 if the students in average daily membership number at least 215 but fewer than 230;

e. 1.21 if the students in average daily membership number at least 230 but fewer than 245;

f. 1.20 if the students in average daily membership number at least 245 but fewer than 260;

g. 1.19 if the students in average daily membership number at least 260 but fewer than 270;

h. 1.18 if the students in average daily membership number at least 270 but fewer than 275;

i. 1.17 if the students in average daily membership number at least 275 but fewer than 280;

j. 1.16 if the students in average daily membership number at least 280 but fewer than 285;

k. 1.15 if the students in average daily membership number at least 285 but fewer than 290;

l. 1.14 if the students in average daily membership number at least 290 but fewer than 295;

m. 1.13 if the students in average daily membership number at least 295 but fewer than 300;

n. 1.12 if the students in average daily membership number at least 300 but fewer than 305;

o. 1.11 if the students in average daily membership number at least 305 but fewer than 310;

p. 1.10 if the students in average daily membership number at least 310 but fewer than 320;

q. 1.09 if the students in average daily membership number at least 320 but fewer than 335;

r. 1.08 if the students in average daily membership number at least 335 but fewer than 350;

s. 1.07 if the students in average daily membership number at least 350 but fewer than 360;

t. 1.06 if the students in average daily membership number at least 360 but fewer than 370;

u. 1.05 if the students in average daily membership number at least 370 but fewer than 380;

v. 1.04 if the students in average daily membership number at least 380 but fewer than 390;

w. 1.03 if the students in average daily membership number at least 390 but fewer than 400;

x. 1.02 if the students in average daily membership number at least 400 but fewer than 600;

y. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and

z. 1.00 if the students in average daily membership number at least 900.

2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:

a. 1.25 if the students in average daily membership number fewer than 125;

b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and

c. 1.00 if the students in average daily membership number at least 200.

3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.

4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

**SECTION 9. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is ~~two~~ three thousand ~~seven hundred sixty-five~~ forty-two dollars.

b. The per student payment rate to which each school district is entitled for the second year of the biennium is ~~two~~ three thousand ~~eight~~ one hundred ~~seventy-nine~~ forty dollars. ~~The per student amount is the~~

~~basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.~~

2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Kindergarten payments - Determination.** Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count.

**SECTION 11.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:

   a. Adding together all state aid received by the district during the 2006-07 school year, except fifty percent of those distributions provided for in the final subsection of section 28 of chapter 167 of the 2005 Session Laws, as amended in 2007 Senate Bill No. 2013 and approved by the sixtieth legislative assembly;

   b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and

   c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.

2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2007-08 school year, is at least equal to one hundred two percent of the baseline funding per weighted student unit, as established in subsection 1.

   b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2007-08 school year, is at least equal to one hundred three percent of the baseline funding per weighted student unit, as established in subsection 1.

3. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the

2007-08 school year, one hundred seven percent of the baseline funding per weighted student unit, as established in subsection 1.

b. Beginning with the 2008-09 school year, the maximum percentage of allowable growth in the baseline funding per weighted student unit provided in subdivision a must be annually increased by three percentage points, plus the district's share of any increased state aid for that year. Payments received by districts for the provision of full-day kindergarten do not constitute increases in state aid for purposes of this subdivision.

**SECTION 12. AMENDMENT.** Section 15.1-27-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-08. Per student payments - Unaccredited high schools.**

1. If a high school becomes unaccredited, the superintendent of public instruction shall determine the per student payment to which the school district is entitled during the first year in which the high school is unaccredited ~~is the amount established in section 15.1-27-04. The school district is not entitled to the amount that results from applying the weighting factors provided in section 15.1-27-06. In each successive year, the per student payment to which the school district is entitled for each student in the unaccredited high school must be reduced by an additional two hundred dollars.~~ by:

   a. Applying the school district size weighting factor assigned under section 8 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school; and

   b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school.

2. If the high school remains unaccredited for a second year, the superintendent of public instruction shall determine the per student payment to which the school district is entitled by:

   a. Applying the school district size weighting factor assigned under section 8 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school;

   b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school; and

   c. Reducing any payment to which the school district is entitled for each student in average daily membership in the unaccredited high school by two hundred dollars.

3. If the high school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall determine the per student payment to which the school district is entitled as provided in subsection 2, and the superintendent shall reduce the payment for each student as provided in subdivision c of subsection 2 by two hundred dollars each year.

4. If ~~a~~ the high school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 13. AMENDMENT.** Section 15.1-27-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-09. Per student payments - Unaccredited elementary schools.**

1. If an elementary school becomes unaccredited, the superintendent of public instruction may not reduce the per student payment to which the school district is entitled during the first year in which the school is unaccredited.

2. If ~~a~~ an elementary school ~~district operates an~~ remains unaccredited ~~elementary school, the per student payment to which the school district is entitled during the first year in which the elementary school is unaccredited is the amount established in section 15.1-27-04. The school district is entitled to the amount that results from applying the weighting factors provided in section 15.1-27-07. In each successive~~ for a second year, the superintendent of public instruction shall reduce the per student payment to which the school district is entitled for each student in average daily membership in the unaccredited elementary school ~~must be reduced~~ by ~~an additional~~ two hundred dollars.

3. If the elementary school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall reduce the payment for each student as provided in subsection 2 by two hundred dollars each year.

4. If ~~a~~ the elementary school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 14. AMENDMENT.** Section 15.1-27-10 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-10. Per student payments - Special education.**

1. ~~Except as provided in subsection 2, each biennium the superintendent of public instruction shall distribute moneys appropriated by the legislative assembly for per student special education payments to each school district in the state on the basis of students in average daily membership. The superintendent of public instruction shall forward the payments, as calculated under section 15.1-27-05, to eligible school districts in the same manner and at the same time that the superintendent distributes state aid payments. For purposes of this section, "special education" means the provision of special services to students who have special needs, including students who are gifted and talented. Expenditures under this section may not conflict with nonsupplanting and maintenance of effort provisions under the Individuals With Disabilities Education Act, 20 United States Code 1400 et seq.~~

2. Upon the written request of a school district, the superintendent of public instruction may forward all or a portion of ~~the moneys~~ any per student special education payments to which ~~the~~ a school district is entitled ~~under~~

~~this section~~ directly to the special education unit of which the school district is a member.

~~3.~~ 2. The superintendent of public instruction may withhold state special education funds due a school district if, in response to a complaint, the superintendent finds that the district is not providing a free appropriate public education to a student as required by law. Any withholding under this subsection may not exceed an amount equal to the cost of meeting the affected student's needs.

**SECTION 15. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. ~~High school districts - Supplemental~~ Equity payments.**

1. The superintendent of public instruction shall ~~calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:~~

   ~~a. The district's latest available net assessed and equalized taxable valuation of property; plus~~

   ~~b. All tuition payments and county revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.~~

~~2. The superintendent of public instruction shall verify that:~~

   ~~a. The quotient arrived at under subsection 1 is less than the latest available statewide average taxable valuation per student;~~

   ~~b. The district's educational expenditure per student is below the most recent available statewide average cost of education per student;~~

   ~~c. The district has a general fund levy of at least one hundred eighty mills; and~~

   ~~d. The district's unobligated general fund balance on the preceding June thirtieth is not in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.~~

~~3. If the superintendent of public instruction determines that the district meets all the requirements of subsection 2, the superintendent shall:~~

   ~~a. Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;~~

   ~~b. Multiply the result determined under subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;~~

   ~~c. Multiply the result determined under subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and~~

~~d. Multiply the result determined under subdivision c by a factor calculated by the superintendent of public instruction to result in the expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.~~

~~4. The result of the calculations under this section is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1-27.~~:

a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.

b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.

2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:

a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and

b. Multiplying that difference by the district's total average daily membership.

3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:

a. The district's general fund mill levy; or

b. One hundred eighty-five mills.

4. a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund mill levy.

b. If a district's general fund levy is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund mill levy from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.

c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.

5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any

payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.

6. For purposes of this section:

   a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.

   b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing seventy-five percent of the district's mineral and tuition revenue by the district's general fund mill levy.

   c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.

   d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 16. AMENDMENT.** Section 15.1-27-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-15. ~~Per student payments -~~ Isolated schools.**

1. a. ~~If an~~ An elementary school is isolated if it has fewer than fifty students in average daily membership and if fifteen percent or more of its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from their residences in order to attend another school~~, the weighting factor provided under section 15.1-27-07 must be increased by twenty-five percent. If the school has fewer than fifteen students, the payment received must be for fifteen students~~.

   b. For purposes of determining state aid, an elementary school that is isolated is presumed to have at least fifteen students in average daily membership.

2. a. ~~If a~~ A high school is isolated if it has fewer than thirty-five students in average daily membership and if fifteen percent or more of its students would have to travel beyond a ~~twenty-mile [32.2-kilometer]~~ fifteen-mile [24.1-kilometer] radius from their residences in order to attend another school~~, the weighting factor provided under section 15.1-27-06 must be increased by twenty-five percent. If the school has fewer than twenty students, the payment received must be for twenty students~~.

b. For purposes of determining state aid, a high school that is isolated is presumed to have at least twenty students in average daily membership.

**SECTION 17. AMENDMENT.** Section 15.1-27-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-16. Per student payments - Cooperating districts.** ~~If, on or after July 1, 1997,~~ any school district receiving payments under this chapter cooperates with another school district for the joint provision of educational services under a plan approved by the superintendent of public instruction, ~~each cooperating district is entitled~~ the superintendent of public instruction shall, notwithstanding the provisions of section 8 of this Act, create and assign a separate weighting factor that allows the cooperating districts to receive, for a period of four years, ~~at least the same per student payment for each high school and elementary student as the district received prior to initiation~~ a payment rate equivalent to that which each district would have received had the cooperative plan not taken effect. The superintendent of public instruction shall compute the separate weighting factor to four decimal places and that weighting factor is effective for the duration of the cooperative plan.

**SECTION 18. AMENDMENT.** Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.**

1. ~~If any school district receiving per student payments calculated under section 15.1-27-06 reorganized with another school district under chapter 15.1-12 before August 1, 1997, the school district resulting from the reorganization is entitled to receive the same per student payments for each high school student as each separate school district received for each high school student prior to the reorganization, for a period of four years.~~

~~2.~~ ~~If any school district receiving per student payments calculated under this chapter reorganizes with another school district under chapter 15.1-12 after July 31, 1997, the school district resulting from the reorganization is entitled~~ Notwithstanding the provisions of section 8 of this Act, the superintendent of public instruction shall create and assign a separate weighting factor to:

   a. Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and

   b. Any school district that reorganizes on or after July 1, 2007.

2. a. The separate weighting factor must allow the reorganized school district to receive ~~the same per student payments for each high school and elementary student as~~ a payment rate equivalent to that which each separate school district would have received ~~for each high school and elementary student prior to the reorganization, for a period of four years~~ had the reorganization not taken place.

   b. The separate weighting factor must be computed to four decimal places.

c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.

3. ~~The weighting factor for each district will be adjusted proportionately over a period of two years, following the period of time provided in subsection 1 or 2, until the adjusted weighting factor equals the weighting factor for the combined enrollment resulting from the reorganization.~~ At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 8 of this Act.

4. ~~Notwithstanding the provisions of any other law, no school district may receive less in per student payments for the first year of its reorganization than the total amount that the districts participating in the reorganization received in per student payments for the school year immediately preceding the reorganization. If less than a whole school district participated in a reorganization, the superintendent of public instruction shall prorate the payments to which the newly reorganized district is entitled under this subsection.~~

**SECTION 19. AMENDMENT.** Section 15.1-27-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-18. Per student payments - Eligibility ~~- Minimum amounts~~.**

1. In order to be counted for the purpose of calculating per student payments, as provided for by this chapter, a high school student must be enrolled in at least four high school units. The units may include career and technical education courses offered in accordance with chapter 15-20.1 and courses that are approved by the superintendent of public instruction and offered by another high school district.

2. If a student is enrolled for graduation in a nonpublic school or if a student is taking fewer than four high school units and is enrolled in an approved alternative high school education program, the school district in which the student is enrolled is entitled to receive proportionate payments.

~~3. Each high school district must receive at least as much in total per student payments as it would have received if it had the highest number of students in the next lower weighting category.~~

**SECTION 20. AMENDMENT.** Section 15.1-27-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-19. Summer school courses and programs - ~~Proportionate payments~~ Payments to school districts.**

1. ~~Each school district that offers summer school courses at the high school level is entitled to receive proportionate payments provided each course offered~~ Before a weight may be assigned under section 7 of this Act for a student enrolled in a high school summer course, the superintendent of public instruction shall verify that the course satisfies requirements for graduation, comprises at least as many clock-hours as courses offered

during the regular school term, and complies with rules adopted by the superintendent of public instruction.

2. ~~A school district that offers remedial~~ Before a weight may be assigned under section 7 of this Act for a student enrolled in an elementary summer ~~school programs at the elementary level is entitled to receive proportionate payments provided the programs comply~~ program, the superintendent of public instruction shall verify that the program complies with rules adopted by the superintendent of public instruction.

~~3. The superintendent of public instruction may adopt rules regarding proportionate payments for remedial summer school programs at the elementary level and summer school courses at the high school level.~~

~~4. Proportionate payments made under this section during a biennium for summer school courses or programs may not exceed one and one-half percent of the total amount appropriated by the legislative assembly for state aid payments during the biennium, or eight million dollars, whichever is less. No more than seventy-five percent of the amount made available under this subsection may be used to support summer school courses at the high school level and no more than twenty-five percent of the amount made available under this subsection may be used to support remedial summer school programs at the elementary level.~~

**SECTION 21. AMENDMENT.** Section 15.1-27-20 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-20. ~~Per student~~ State aid payments - Claim by school district - Appeal.**

1. ~~Upon the completion of student registration and in no event later than September tenth of each year, the business manager of a school district claiming payments from state funds under the provisions of this chapter shall file a claim in the form and manner prescribed by the superintendent of public instruction. The business manager must provide the number of registered high school and elementary school students for whom payments are claimed and any other information requested by the superintendent of public instruction.~~

2. ~~The superintendent of public instruction shall compute the per student payments on the basis of the previous year's average daily membership less the number of students attending school during the current school year in another district under the provisions of open enrollment or the current year's fall enrollment, whichever provides the greater total payment. The superintendent shall make adjustments in the subsequent year according to a comparison between the average daily membership for the year for which the adjusted payment is being made and the year preceding the year for which the adjusted payment is being made, whichever is greater, for grade levels that existed in both years. The greater of the two preceding years' average daily membership must be used in computing any adjustment in a district's per student aid payments.~~

3. ~~School districts educating children of agricultural migratory workers and school districts offering approved summer courses during the months of June, July, and August are not restricted to payments for a one hundred eighty-day school term.~~

~~4. Upon termination of the school year, the business manager of each school district that has received payments from state funds under the provisions of this chapter shall file with the school board a verified statement of the name, residence, and membership of each student and the units of high school work taken by each enrolled student.~~

~~5. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction, in the form and manner prescribed by the superintendent, the students in average daily membership for the recently completed school year. The superintendent shall notify the school district of any student average daily membership that is disallowed.~~

~~6.~~ ~~A~~ Any school district claiming state aid payments under this chapter shall provide to the superintendent of public instruction, at the time and in the manner requested by the superintendent, all information necessary for the processing of the claim.

2. If the superintendent of public instruction denies a district's claim for state aid payments, in whole or in part, the district may appeal the determination of the superintendent by ~~submitting a written appeal to~~ filing a written notice with the superintendent ~~of public instruction on or before September fifteenth of the year in which the~~, within thirty days from the date on which the district received the original determination ~~is made~~. The superintendent of public instruction may modify the original determination if the evidence submitted by the district justifies a modification. Upon appeal, or ~~in a case when no~~ if a timely appeal is not made, the determination of the superintendent ~~of public instruction~~ is final.

**SECTION 22.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**General fund levy - Impact on state aid.**

1. If in the first year of the 2007-09 biennium the general fund levy of a school district is less than one hundred fifty mills, the superintendent of public instruction shall:

   a. Determine the difference in mills between the district's general fund levy and one hundred fifty;

   b. Multiply the difference in mills determined under subsection 1 by the district's total taxable valuation; and

   c. Subtract the dollar amount determined under subsection 2 from the total amount of state aid to which the district is otherwise entitled.

2. If in the second year of the 2007-09 biennium and each year thereafter, the general fund levy of a school district is less than one hundred fifty-five mills, the superintendent of public instruction shall:

   a. Determine the difference in mills between the district's general fund levy and one hundred fifty-five;.

   b. Multiply the difference in mills determined under subsection 1 by the district's total taxable valuation; and

c. Subtract the dollar amount determined under subsection 2 from the total amount of state aid to which the district is otherwise entitled.

**SECTION 23.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Taxable valuation - Impact on state aid.** If a school district's imputed taxable valuation per student is greater than one hundred fifty percent of the state average imputed taxable valuation per student, the superintendent of public instruction shall:

1. Determine the difference between the district's imputed taxable valuation per student and one hundred fifty percent of the state average imputed taxable valuation per student;

2. Multiply the dollar amount determined under subsection 1 by the district's average daily membership;

3. Multiply the dollar amount determined under subsection 2 by one hundred eighty-five mills;

4. Multiply the dollar amount determined under subsection 3 by a factor of 0.75; and

5. Subtract the dollar amount determined under subsection 4 from the total amount of state aid to which the district is otherwise entitled.

**SECTION 24. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35. Average daily membership - Calculation.**

1. Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given ~~classroom~~ grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given ~~classroom~~ grade, school, or school district is absent during a school calendar, and then dividing the sum by ~~one~~ the greater of:

   a. The school district's calendar; or

   b. One hundred eighty.

2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:

   ~~1.~~ a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;

   ~~2.~~ b. The two days set aside for professional development activities under section 15.1-06-04; and

   ~~3.~~ c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.

3. For purposes of calculating average daily membership:

   a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

   b. During the 2007-08 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 0.50. Beginning with the 2008-09 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

   c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Reduction in grade levels.** If a school district offers fewer grade levels than the district offered the previous school year, the superintendent of public instruction shall determine the district's average daily membership using only those grade levels that the district offers during the current school year.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Dissolved school districts.** For purposes of determining state aid, the superintendent of public instruction shall amend the average daily membership of any school district that enrolls students who attended a dissolved school district during the school year prior to the dissolution.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance.** The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance - Exception.** Notwithstanding the provisions of section 27 of this Act, the superintendent of public instruction may not include any distribution provided for in the final subsection of section 28 of chapter 167 of the 2005 Session Laws, as amended in 2007 Senate

Bill No. 2013 and approved by the sixtieth legislative assembly, in determining the unobligated general fund balance of a school district.

**SECTION 29. AMENDMENT.** Section 15.1-28-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-28-03. State tuition fund - Apportionment - Payment.** On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the state tuition fund. The superintendent shall ~~apportion the fund among the school districts of the state in proportion to the number of school age children residing in each district, as shown by the latest enumeration provided for by law and pay the amount apportioned to each school district. The superintendent shall make the payments required by this section at the same time as the per student payments required~~ include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

**SECTION 30. AMENDMENT.** Section 15.1-29-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-01. Education of students in bordering states - Payment of tuition.**

1. ~~Students~~ A student may attend ~~a~~ school in a bordering state in accordance with section 15.1-29-02 ~~under the following circumstances~~ provided:

   a. (1) ~~A~~ The student ~~who~~ lives within forty miles [64.37 kilometers] of another state; or

      (2) The student lives in a county bordering on another state ~~may, with the~~; and

   b. The student has received approval ~~of~~ from the ~~school~~ board~~, attend a public school in a bordering state.~~

   ~~b. A student who has attended a school district in a bordering state since, and including, the 1990-91 school year must be permitted to continue attending school in the district in the bordering state.~~

   ~~c. A student whose sibling attended an out of state school during or before the 1990-91 school year must be permitted to attend school in the district the sibling attended in the bordering state~~ of the student's school district of residence.

2. If the school board of the district in which the student resides denies a request for a student's attendance in and payment of tuition to another state, the student's parent may appeal the decision to the three-member committee referenced in section 15.1-29-06.

   a. If the three-member committee determines that the student meets the terms of subdivision b or c of subsection 1, the student may attend school in the bordering state and the board of the student's school district of residence shall pay the tuition.

   b. If the three-member committee determines the student falls within the terms of subdivision a of subsection 1, then the three-member

committee shall make its decision using the criteria specified in section 15.1-29-06.

c. Notwithstanding the provisions of this section, if a student's school district of residence does not provide for the education of kindergarten students, the district may not pay tuition for a kindergarten student to attend school in a bordering state.

d. Any decision by the three-member committee regarding the payment of tuition for high school, elementary, or kindergarten students may be appealed by the school board or by the student's parent to the state board of public school education. A decision by the state board is final.

3. ~~a.~~ ~~The superintendent of public instruction shall forward all state aid payments for a~~ A student attending an out-of-state school ~~to~~ under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.

~~b.~~ The student's district of residence may reduce any tuition payment it must make to an out-of-state school by an amount commensurate with the tuition costs the district would be entitled to receive as compensation for a student from the out-of-state district enrolled in its school.

4. Nothing in this section requires that a school district of residence provide student transportation or payments in lieu of transportation for students attending out-of-state schools.

**SECTION 31. AMENDMENT.** Section 15.1-29-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-02. Education of students in bordering states - Contract - Tuition.**

1. A school district may contract with a school district in a bordering state for the education of students. A contract between school districts must provide for the payment of tuition at an agreed-upon amount.

2. ~~For purposes of per student payments and tuition apportionment payments, a~~ A student who attends school in a bordering state under a contract provided for by this section is deemed to be in attendance in the student's school district of residence. The student's school district of residence is liable to the school district of the bordering state for payments as provided in the contract.

3. A school district in this state may not agree to accept ~~students~~ a student from a bordering state unless the tuition payable equals or exceeds the ~~per student payment plus the tuition apportionment payment~~ amount of state aid that the district would have received from this state for a student in the same grade if ~~its~~ that student had been attending school in the bordering state.

**SECTION 32. AMENDMENT.** Section 15.1-29-12 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-12. Tuition payments - Determination.**

1. Except as provided in section 15.1-29-13, a school district sending a student to another district for purposes of education shall pay the full cost of education incurred by the admitting district.

2. a. The admitting district shall determine the cost of education per student for its kindergarten, elementary, and high school students on the basis of its average daily membership and those expenditures permitted in determining the cost of education per student in section 15.1-27-03.

   b. To the cost of education per student, the admitting district shall add the latest available statewide average per student cost for extracurricular activities and the state average capital outlay per student. The state average capital outlay per student is determined by dividing the total of all school districts' annual expenditures for sinking and interest funds, tax receipts to the building funds, and general fund expenditures for capital outlay by the average daily membership of the state.

   c. The admitting district shall subtract the following from the amount arrived at under subdivision b:

      (1) The ~~weighted~~ per student payment ~~received by the admitting district, less the average amount per North Dakota resident student enrolled in the school district realized from the deductions applied under section 15.1-27-06~~ multiplied by the admitting district's school size weighting factor; and

      (2) Any credit for taxes paid to the admitting district by the student's parent.

   d. The amount remaining is the full cost of education incurred by the admitting district and the tuition amount payable for the individual student. This chapter does not affect the right of a school board to charge and collect tuition from students who are not residents of this state, in accordance with section 15.1-29-02.

**SECTION 33. AMENDMENT.** Section 15.1-29-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-14. Student placement for noneducational purposes - Residency determination - Payment of tuition and tutoring charges.**

1. a. Except as provided in subdivision b, for purposes of applying this chapter, a student's school district of residence is the district in which the student's custodial parent or legal guardian resides:

      (1) At the time that a state court, tribal court, juvenile supervisor, or the division of juvenile services issues an order requiring the student to stay for a prescribed period at a state-licensed foster home or at a state-licensed child care home or facility;

      (2) At the time a county or state social service agency places the student, with the consent of the student's parent or legal guardian, at a state-licensed foster home or at a state-licensed child care home or facility;

(3) At the time the student is initially placed in a state-operated institution, even if the student is later placed at a state-licensed foster home or at a state-licensed child care home or facility; or

(4) At the time the student is placed voluntarily, by a parent or legal guardian, in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1.

b. A determination regarding the student's school district of residence made under subdivision a is valid until the September fifteenth following the determination. On that date and each September fifteenth thereafter, the placing agency or the entity funding the student's placement shall determine the district in which the student's custodial parent or legal guardian resides and shall notify the district that it is deemed to be the student's district of residence for purposes of this chapter. If, however, the student is placed in accordance with paragraph 4 of subdivision a and the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this subdivision.

2. The student's school district of residence is obligated to pay:

   a. All charges for tuition upon claim of the admitting district; and

   b. All charges for tutoring services upon claim of an admitting facility, provided that the tutoring services are delivered by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board.

3. The state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for state aid to schools if, on the September fifteenth after a student placement is made as provided for under subsection 1:

   a. The student's custodial parent or legal guardian establishes residency outside this state;

   b. A court orders a termination of parental rights with respect to the student's parents;

   c. The student no longer has a custodial parent; or

   d. The superintendent of public instruction has determined that all reasonable efforts to locate a parent or legal guardian have been unsuccessful.

4. If the student is voluntarily admitted to a state-licensed child care home or facility, or to a state-operated institution, the student's parent or, if one has been appointed, the student's legal guardian may appeal a determination under section 15.1-29-05 regarding the payment of tuition by filing a petition with the county superintendent of schools. Within fifteen days of receiving the petition, the three-member committee established under section 15.1-29-06 shall consult with the boards of the affected school

districts and with the student's parent or legal guardian and render a decision regarding responsibility for the payment of tuition charges.

5. If the student's district of residence does not pay the required tuition, the admitting district or facility shall notify the superintendent of public instruction. Upon verification that tuition payments and tutoring charges are due and unpaid, the superintendent shall withhold an amount equal to the unpaid tuition and tutoring charges from state aid otherwise payable to the student's school district of residence until the tuition and tutoring charges that are due ~~has~~ have been fully paid.

6. An amount equal to the state average per student elementary or high school cost, depending on the student's grade of enrollment, is payable to the admitting district or facility as part of the cost of educating the student for the school year. The payment may not exceed the actual per student cost incurred by the admitting district or facility. The remainder of the actual cost of educating the student not covered by other payments or credits must be paid by the state, within the limits of legislative appropriations, from funds appropriated for the payment of special education contract charges in the case of a student with disabilities or from state aid payments to schools in all other cases.

7. If a student with disabilities placed in accordance with this section reaches age eighteen and continues to receive special education and related services, the student's school district of residence is deemed to be the same as that of the student's custodial parent until the special education services are concluded. The obligations of the student's school district of residence as provided in subsection 2 and the obligations of the state as provided in subsection 3 are applicable to all students described in this subsection.

8. a. The placing agency or entity funding the student's placement shall provide written or electronic notice regarding an initial placement and all subsequent placements of a student to the superintendent of the student's school district of residence and to the superintendent of the admitting district:

   (1) Within five working days after a placement is made under court order;

   (2) Within five working days after an emergency placement is made; or

   (3) At least ten working days prior to any other placement.

   b. If, however, the student's parent or legal guardian voluntarily places the student in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1, and if the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this section.

   c. The notice must include any information requested by the superintendent of public instruction for purposes of determining payment responsibility.

d. The placing agency shall afford the student's school district of residence reasonable opportunity to participate in permanency planning for the student.

9. Notwithstanding this section, educational services provided to a student by the youth correctional center are not subject to the payment of tuition and tutoring charges by either the student's school district of residence or the superintendent of public instruction.

10. For purposes of this section, "custodial parent" means the parent who has been awarded sole legal and physical custody of the student in a legal proceeding or, if there is currently no operative custody order, the parent with whom the student resides. If the student resides with both parents, then both are custodial parents.

**SECTION 34. AMENDMENT.** Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-15. Levy for tuition payments.** If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to subdivision c of subsection 1 of section 57-15-14.2.

**SECTION 35. AMENDMENT.** Section 15.1-31-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-03. Open enrollment - ~~Per student~~ State aid ~~Tuition apportionment.~~**

1. Once a student is enrolled in an admitting district, the student must remain enrolled in the admitting district until:

   a. The student graduates;

   b. The student relocates to another district;

   c. The student's parent applies for enrollment in another school district; or

   d. The student's parent notifies the student's school district of residence that the student will attend school in the school district of residence the following year.

2. ~~Payment for per student aid must be made to the admitting district in accordance with chapter 15.1-27.~~

~~3. For purposes of tuition apportionment payments, a student whose application is approved under this section is considered a resident of the admitting district.~~

~~4.~~ Except as specifically provided in this chapter, chapter 15.1-29 does not apply to students involved in open enrollment.

**SECTION 36. AMENDMENT.** Section 15.1-31-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-04. Open enrollment - Students with disabilities - Additional costs.** If an application under this chapter is approved for a student with a disability, the board of the student's school district of residence shall pay to the admitting district the costs incurred by the admitting district in providing special education and related services to the student ~~up to a maximum each school year of two and one-half times the state average per student elementary or high school cost, depending on the student's enrollment level, plus twenty percent of all remaining costs. The superintendent of public instruction shall reimburse the admitting district eighty percent of the remainder of the cost of educating the student with disabilities within the limits of legislative appropriations for that purpose~~. The superintendent of public instruction shall reimburse the student's school district of residence for all excess costs, as defined in section 15.1-32-18.

**SECTION 37. AMENDMENT.** Section 15.1-31-07 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-07. Students not subject to this chapter.** If a student, as a result of a school district dissolution or reorganization, resides in a district other than the one the student chooses to attend at the time of the dissolution or reorganization, the student is not subject to this chapter and may attend school in the chosen school district. ~~Notwithstanding section 15.1-28-03, the superintendent of public instruction shall forward payments from the state tuition fund made on behalf of the student to the student's chosen school district. The student may not be considered a student in average daily membership in the student's school district of residence for purposes of section 15.1-31-02.~~

**SECTION 38. AMENDMENT.** Section 15.1-32-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-08. School districts - Provision of special education.** Each school district shall provide special education~~, singly or jointly with other districts,~~ and related services as a single district, as a member of a multidistrict special education unit in accordance with ~~this~~ chapter 15.1-33, or as a participating district in an educational association approved by the superintendent of public instruction under section 15.1-07-28. Each school district and entity providing special education shall cooperate with the director of special education and with the institutions of this state in the provision of special education.

**SECTION 39. AMENDMENT.** Section 15.1-32-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-14. Special education ~~per student payments~~ students - Contracts for placement.**

1. ~~If a student with disabilities receives special education services, the superintendent of public instruction shall forward any per student payments, payable on behalf of that student, directly to the school district in which the student receives such services.~~

~~2.~~ ~~If a student with disabilities attends a special education summer program required by the student's individualized education program or services plan and approved by the superintendent of public instruction, the superintendent of public instruction shall forward any additional prorated per student payments, payable on behalf of the student, directly to the school district in which the student receives such services.~~

~~3. If a student who is enrolled in a nonpublic school receives special education services in a public school, the superintendent of public instruction shall forward a proportionate per-student payment to the school district in which the student receives the services.~~

~~4.~~ ~~a.~~ If in the opinion of an individualized education program team or a services plan team a student is unable to attend a public school in the special education unit to which the student's school district of residence belongs, the student's school district of residence shall contract with another public school that:

~~(1)~~ a. Does not belong to the same special education unit;

~~(2)~~ b. Is located in this state;

~~(3)~~ c. Is willing to admit the student; and

~~(4)~~ d. Is able to provide appropriate services to the student.

~~b.~~ 2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting school.

~~c.~~ 3. The contract must provide that the student's school district of residence ~~agrees to pay to the district in which the student receives services, as part of~~ is liable for the cost of educating the student ~~for the school year, an amount equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs. The amount paid may not exceed the actual per student cost incurred by the admitting school, less any per student payment received on behalf of the student under this section.~~

~~d. The liability of the student's school district of residence must be reduced proportionately if the student attends the admitting school for less than an entire school year~~.

~~e.~~ 4. Upon being notified by the district in which the student receives services that ~~tuition payments provided for by this section are due and unpaid~~ the student's school district of residence has not paid for services that were provided to the student, the superintendent of public instruction, after verification, shall withhold all state aid payments to which the student's school district of residence is entitled, until the ~~tuition due has been paid.~~

~~f. The superintendent of public instruction shall provide to the school district in which the student receives services, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits~~ required payments have been made.

**SECTION 40. AMENDMENT.** Section 15.1-32-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-15. Student with disabilities - Attendance at private institution or out-of-state public school.**

1. If in the opinion of an individualized education program team or an education services team a student is unable to attend a public school in the student's school district of residence because of a physical disability, a mental disability, or a learning disability, and if no public school in the state will accept the student and provide the necessary services, the student's school district of residence shall contract with:

   a. A private, accredited, nonsectarian, nonprofit institution that is located within or outside of this state and which has the proper facilities for the education of the student; or

   b. A public school located outside of this state that has proper facilities for the education of the student.

2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting institution or school.

3. The contract must provide that the student's school district of residence ~~shall pay to the institution or school, as part of~~ is liable for the cost of educating the student~~, an amount for the school year equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs.~~

~~4. The amount paid may not exceed the actual per student cost incurred by the institution or school.~~

~~5. The superintendent of public instruction shall provide to the student's school district of residence, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits.~~

~~6. The school district of residence is entitled to the per student payment for a student who receives services under this section~~.

4. A student who receives services under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.

**SECTION 41. AMENDMENT.** Section 15.1-32-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-16. Transportation services ~~- State reimbursement~~.** If a student's individualized education program or services plan requires the provision of transportation services, the student's school district of residence shall provide the services by any reasonably prudent means, including a regularly scheduled schoolbus, public transit, commercial transportation, chartered or other contracted transportation, and transportation provided by the student's parent or other responsible party.

**SECTION 42. AMENDMENT.** Section 15.1-32-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-18. Cost - Liability of school district for special education.** ~~If the cost of providing special education and related services to a student with disabilities, as determined by the superintendent of public instruction, exceeds the reimbursement~~

~~provided by the state, the student's school district of residence is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of two and one-half times the state average per student elementary cost of education or high school cost of education, depending on the student's level of enrollment, plus twenty percent of all remaining costs. The two and one-half times amount includes the amount that the school district is required to pay under section 15.1-32-14. The state is liable for eighty percent of the remaining cost of education and related services for each such student with disabilities within the limits of legislative appropriations.~~

1. Each year the superintendent of public instruction shall identify the approximately one percent of special education students statewide who are not eligible for cost reimbursement under section 15.1-29-14 and who require the greatest school district expenditures in order to provide them with special education and related services. This percentage represents the number of students that would qualify for excess cost reimbursement beyond the multiplier that is established in subsection 3.

2. The excess costs of providing special education and related services to these students are the responsibility of the state and the superintendent of public instruction shall reimburse the school districts for any excess costs incurred in the provision of special education and related services to the identified students.

3. "Excess costs" are those that exceed four and one-half times the state average cost of education per student and which are incurred by the special education students identified in subsection 1.

4. All costs of providing special education and related services to those students identified in subsection 1, other than excess costs reimbursed by the state, are the responsibility of the student's school district of residence.

**SECTION 43. AMENDMENT.** Section 15.1-33-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-33-02. Multidistrict special education units - School district participation.** A school district may join a multidistrict special education unit or together with other school districts form a multidistrict special education unit for purposes of planning and delivering special education and related services. ~~Each school district shall participate in a multidistrict special education unit or have on file with the superintendent of public instruction a plan for providing special education and related services as a single district.~~ If a school district wishes to join a multidistrict special education unit from which it has been excluded, the school district may petition the superintendent of public instruction. A school district may appeal a decision of the superintendent under this section to the state board of public school education.

**SECTION 44. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter

may not exceed ~~forty~~ fifty million dollars. The board may adopt policies and rules governing school construction loans.

2. In order to be eligible for a loan under this section, the board of a school district shall:

   a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;

   b. Obtain the approval of the superintendent of public instruction for ~~its~~ the construction project under section 15.1-36-01; and

   ~~b.~~ c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.

3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.

4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of eight million dollars or eighty percent of the actual project cost;

   b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

   c. A term of repayment that may extend up to twenty years.

5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of seven million dollars or seventy percent of the actual project cost;

   b. An interest rate buydown equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

   c. A term of repayment that may extend up to twenty years.

6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of two and one-half million dollars or thirty percent of the actual project cost;

   b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

   c. A term of repayment that may extend up to twenty years.

7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.

~~4.~~ 8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.

~~5.~~ 9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount~~. In determining the amount of a loan, the superintendent shall take into account the cost of the construction project and the fiscal capacity of the school district.~~

~~6. If the superintendent of public instruction approves the loan, the superintendent may determine the interest rate to be paid. The interest rate on a loan under this section may not exceed a rate of two percent below the net interest rate on comparable tax exempt obligations as determined on the date the application is approved by the superintendent pursuant to section 15.1-36-01. The interest rate may not exceed six percent.~~

~~7.~~ ~~A school district may not receive a loan under this section unless the superintendent of public instruction determines that the district has an existing indebtedness equal to at least fifteen percent of its taxable valuation. In determining a school district's existing indebtedness, the superintendent shall include outstanding indebtedness authorized by an election under section 21-03-07 but not issued and indebtedness authorized to be paid with dedicated tax levies under subsection 7 of section 21-03-07 but not issued~~, the term of the loan, and the interest rate, in accordance with the requirements of this section.

~~8.~~ 10. The superintendent of public instruction may adopt rules governing school construction loans.

~~9.~~ 11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority ~~and further provided that the acquisition or activity is estimated to cost in excess of fifty thousand dollars~~.

**SECTION 45.** A new section to chapter 15.1-36 of the North Dakota Century Code is created and enacted as follows:

**School construction projects - Reorganized districts - Interest subsidy.**

1. If under chapter 15.1-12 two or more school districts prepare a reorganization plan, agree in that plan to pursue a construction project, and obtain the approval of the superintendent of public instruction in accordance with this chapter, the newly reorganized district is eligible to receive up to three hundred basis points of interest rate buydown on the lesser of:

   a. Thirteen million five hundred thousand dollars; or

   b. A percentage of the total project cost determined by:

(1) Allowing five percent for each school district that participated in the reorganization;

(2) Allowing five percent for each one hundred-square-mile [259-square-kilometer] increment that is added to the square miles [kilometers] of the geographically largest district participating in the reorganization;

(3) Allowing five percent for every ten students added to the enrollment of the district having the greatest number of enrolled students and participating in the reorganization; and

(4) Capping the allowable percentage at ninety percent of the total project cost.

2. In addition to the requirements of subsection 1, the percentage of cost subsidy determined under subdivision b of subsection 1 must equal at least twenty percent of the total project cost.

**SECTION 46.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**English language learner - Definition.** English language learner means a student who:

1. Is at least five years of age but has not reached the age of twenty-two;

2. Is enrolled in a school district in this state;

3. Has a primary language other than English or comes from an environment in which a language other than English significantly impacts the individual's level of English language proficiency; and

4. Has difficulty speaking, reading, writing, and understanding English, as evidenced by a language proficiency test approved by the superintendent of public instruction and aligned to the state English language proficiency standards and the state language proficiency test.

**SECTION 47.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**New immigrant English language learner - Definition.** A new immigrant English language learner is an English language learner who was not born in the United States and has not attended school in the United States for more than three school years or the monthly equivalent of three school years.

**SECTION 48. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. Tax levy limitations in school districts.** The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus eighteen percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:

   a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.

   b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.

2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.

~~3. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one year period.~~

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the number of persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 49. NORTH DAKOTA COMMISSION ON EDUCATION IMPROVEMENT - MEMBERSHIP - DUTIES - REPORT TO LEGISLATIVE COUNCIL - REIMBURSEMENT FOR EXPENSES.**

1. The North Dakota commission on education improvement consists of:

   a. (1) The governor or an individual designated by the governor, who shall serve as the chairman;

   (2) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than one thousand students in average daily membership;

   (3) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than two hundred twenty but fewer than one thousand students in average daily membership;

   (4) One individual, appointed by the governor, who is employed as the superintendent of a high school district having fewer than two hundred twenty students in average daily membership;

   (5) One individual, appointed by the governor, who is employed as a school district business manager;

   (6) The chairman of the senate education committee or the chairman's designee;

   (7) The chairman of the house education committee or the chairman's designee;

   (8) The senate minority leader or the leader's designee;

   (9) One legislator appointed by the chairman of the legislative council; and

   (10) The superintendent of public instruction or an assistant superintendent designated by the superintendent of public instruction; and

   b. One nonvoting member representing the North Dakota council of educational leaders, one nonvoting member representing the North Dakota education association, and one nonvoting member representing the North Dakota school boards association.

2. The commission shall establish its own duties and rules of operation and procedure, including rules relating to appointments, terms of office, vacancies, quorums, and meetings, provided that the duties and the rules do not conflict with any provisions of this section.

3. The members of the commission are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials. The superintendent of public instruction shall use up to $40,000 from moneys appropriated in the grants - state school aid line item in section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, to provide the reimbursements.

4. The commission shall examine the current system of delivering and financing public elementary and secondary education and shall develop recommendations addressing educational adequacy, the equitable distribution of state education funds, the allocation of funding responsibility

between federal, state, and local sources, and any other matters that could result in the improvement of elementary and secondary education in the state.

5. The commission shall provide periodic reports to the governor and to the legislative council.

**SECTION 50. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO LEGISLATIVE COUNCIL.**

1. During the 2007-09 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2007.

2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2007-09 biennium by:

   a. Determining the total amount of state dollars received by each district during the 2005-07 biennium as per student payments, tuition apportionment payments, special education per student payments, and English language learner payments;

   b. Determining the total amount of state dollars received by each district during the 2007-09 biennium as per student payments, provided that neither equity payments under section 15.1-27-11 nor contingency distributions are to be included in the total; and

   c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.

3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.

4. a. The provisions of this section do not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with the provisions of subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.

   b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.

   c. The superintendent of public instruction shall report all notices received under this subsection to an interim committee designated by the legislative council.

**SECTION 51. MILITARY INSTALLATION SCHOOL DISTRICTS - ELIGIBILITY FOR STATE AID AND EQUITY PAYMENTS.** If at any time the board of a United States military installation school district assumes responsibility for the direct

provision of education to its students, the superintendent of public instruction shall include all students being educated by the board in the district's average daily membership, both for purposes of determining any state aid to which the district is entitled and for purposes of determining any equity payments to which the district is entitled under section 15.1-27-11.

**SECTION 52. AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS - COST-SHARE INCENTIVES.**

1. The state board for career and technical education shall use $1,200,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to award grants for the purpose of assisting with the establishment of at least two new area career and technology centers in areas of the state that, as of July 1, 2007, are not served by an existing center. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a number of students who will be served and to alignment of the proposed area career and technology center with existing educational associations governed by joint powers agreements.

2. The state board for career and technical education shall use $800,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to increase cost-share incentives for area career and technology centers.

**SECTION 53. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent shall:

1. Use the first $1,000,000, or so much of that amount as may be necessary, to pay any state obligations in excess of the amount appropriated for special education contract charges;

2. Use the next $1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school districts participating in educational associations that are governed by a joint powers agreement and which have been reviewed by the superintendent of public instruction and verified as meeting the requirements of section 15.1-07-28;

3. Use the next $450,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts serving English language learners and new immigrant English language learners, in accordance with chapter 15.1-38;

4. Use the next $200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2007-09 biennium; and

5. Use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 54. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent of public instruction determines that, using

all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-first legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 55. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed.

**SECTION 56. REPEAL.** Sections 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code are repealed.

**SECTION 57. EXPIRATION DATE.** Section 28 of this Act is effective through June 30, 2007, and after that date is ineffective.

**SECTION 58. EMERGENCY.** Sections 28, 49, 55, and 57 of this Act are declared to be an emergency measure."

Renumber accordingly

2007 SENATE EDUCATION

CONFERENCE COMMITTEE

SB 2200

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

x Check here for Conference Committee

Hearing Date: April 9, 2007

Recorder Job Number: 5822, 5843

Committee Clerk Signature

Minutes:

Chairman Freborg opened the conference committee on SB 2200. Senator Gary Lee attended in place of Senator Flakoll who was absent, otherwise all members were present.

Chairman Freborg said that Senator Flakoll was listening on the speaker phone but would not participate. Chairman Freborg asked that the committee go through the bill section by section to see the changes that were made by the House Education and Appropriations Committees and identify which sections have no opposition.

Representative Kelsch said the language in the title has changed, the teacher compensation payments, the FTE payments were added in and language was added.

Chairman Freborg said we will come back to that section.

Representative Kelsch said there are no changes in section 1.

Representative Kelsch said section 2, they added language relating to full day kindergarten, this was the cleaned up language that had been put into 2013. They felt if this was going to be the policy bill, it should contain the correct language for full day kindergarten. It defines what a full day of instruction is for full day kindergarten and designates it would start the second year of the biennium which is what they figured it would entail with the amount of money appropriated.

No one on the committee indicated any problem with section 2.

Chairman Freborg said we won't come back to section 2 unless somewhere else in the bill something affects this section.

Representative Kelsch said section 3 of the bill is the repealed sections relating to JPA's and that was no change from what was sent over from the Senate.

Chairman Freborg said that should be ok.

Anita Thomas said if SB 2030 passes there will need to be some technical corrections to section 3, it would not be a substantive change.

Representative Kelsch said there are no changes in section 4.

Representative Kelsch said there are no changes in section 5.

Representative Kelsch said in section 6, under required reports, the September 10 fall enrollment report was originally stricken but Department of Public Instruction said that information was important so the House added it back in.

No one on the committee indicated any problem with section 6.

Representative Kelsch said in section 7, they changed the factor for kindergarten students and they changed the factors for ELL students. On the original bill, they would have deleted 11, 12, 16, 17 and added k, l (the . 2 for ELL students), j (0.14 for new immigrant ELL) and they changed the special education weighting factor back to the way the bill had been originally introduced. There was an amendment offered to put money on the contract side and in discussions with superintendents, they felt the factors were probably better off where they were and allowing more money to go out in the ADM level. The definitions of new immigrant ELL as well as others involved in ELL program are coming up later in the bill.

Chairman Freborg asked the value of the change in line 24, .067 and .063.

Representative Kelsch said she doesn't have that information, she can find it.

Senator Gary Lee said we should revisit section 7.

Representative Kelsch said there are no changes in section 8, these are the weighting factors.

Representative Kelsch said there are no changes in section 9.

Representative Kelsch said section 10 adds in the language regarding kindergarten payments and how they would be distributed and puts the schools at full day kindergarten in the 08 – 09 school year. It would be determined by using the 2008 kindergarten fall enrollment count.

Chairman Freborg said we will come back to section 10.

Representative Kelsch said there are no changes in section 11. (Representative Mueller later said he would like to come back to this section.)

Chairman Freborg said when Senator Flakoll returns if he wants to look at any section we have considered ok, we will go back to them.

Representative Kelsch said there are no changes in section 12.

Representative Kelsch said there are no changes in section 13.

Representative Kelsch said there are no changes in section 14.

Representative Kelsch said there are no changes in section 15 until page 15, subsection 6b and that is where you would find imputed taxable value at 100%

Chairman Freborg said we will come back to section 15.

Representative Kelsch said there are no changes in section 16.

Representative Kelsch said there are no changes in section 17.

Representative Kelsch said there are no changes in section 18.

Representative Kelsch said there are no changes in section 19.

Representative Kelsch said there are no changes in section 20.

Chairman Freborg asked what was spent on summer school in the last biennium.

Representative Kelsch said she has that number in another file.

Jerry Coleman said it is capped at 1 ½% so that would be about $8.5 million.

Chairman Freborg said he is not sure there is a problem but wants to discuss section 20.

Representative Kelsch said there are no changes in section 21.

Representative Kelsch said there are no changes in section 22.

Representative Kelsch said there are no changes in section 23. (Senator Taylor later said he would like to look at this section.)

Representative Kelsch said section 24 on page 23 line 4b, added in the language in the 2007 – 2008 school year and added into language on line 6 they added beginning in the 2008 – 2009, how the money is distributed. We may want to come back to this section because it refers to full day kindergarten.

Senator Gary Lee said he would like to discuss section 24 further.

Representative Kelsch said in c they also added line 10, it was clean up technical language that came about after reviewing the bill.

Chairman Freborg said we will come back to section 24 because we haven't acted on 1320 yet.

Representative Kelsch said in section 25, they added new language. If a school district offers fewer grade levels, went to a K-6 from a K-8 for example, they would only be paid for the students that were there. They would not be counted for having additional grades they are not teaching.

No one on the committee indicated any problem with section 25.

Representative Kelsch said there are no changes in section 26.

Representative Kelsch said there are no changes in section 27.

Representative Kelsch said there are no changes in section 28. (Senator Flakoll later sent an email saying he thought section 28 was a new section which was addressed later in the meeting).

Representative Kelsch said there are no changes in section 29.

Representative Kelsch said there are no changes in section 30.

Representative Kelsch said there are no changes in section 31.

Representative Kelsch said there are no changes in section 32.

Representative Kelsch said there are no changes in section 33.

Representative Kelsch said there are no changes in section 34.

Representative Kelsch said there are no changes in section 35.

Representative Kelsch said there are no changes in section 36.

Representative Kelsch said there are no changes in section 37.

Representative Kelsch said there are no changes in section 38.

Representative Kelsch said in section 39 they added the language in the title on line 10, students and contracts for placement.

Representative Kelsch said there are no changes in section 40.

Representative Kelsch said there are no changes in section 41.

Representative Kelsch said in section 42, #3, the language was amended in the Senate and the House put it back to the original language in the original bill. (meter 27:24) In #4 they removed "except as provided in subsection 5" and put all costs and they removed language relating to a school district's unreimbursed costs from providing services to special ed students if they exceed 2% of the districts annual expenditures per high cost special ed student. That amendment was added in the Senate. While they understood why the

amendment was added, it became virtually unworkable. The way we are funding school districts at this point, it should be able to take care of those costs for a school district.

Chairman Freborg said he discussed this with Senator Flakoll and he doesn't think there is a problem but we may want to return to section 42.

Representative Kelsch said there are no changes in section 43.

Representative Kelsch said there are no changes in section 44.

Representative Kelsch said there are no changes in section 45.

Representative Kelsch said there are no changes in section 46.

Representative Kelsch said section 47 adds the definition of new immigrant ELL so we now have 2 definitions of ELL. (meter 30:10)

Senator Taylor said if we are going to discuss weighting factors, we may want to return to section 47.

Representative Kelsch said there are no changes in section 48.

Representative Kelsch said they added to section 49 $40,000 for expenses for the Commission on Education Improvement.

Representative Kelsch said there are no changes in section 50.

Representative Kelsch said there are no changes in section 51.

Chairman Freborg asked if there was a repealer in section 51.

Representative Kelsch said no, the repealers are at the bottom of the last page, sections 55 and 56.

Representative Kelsch said section 52, the $2 million for Career and Technology Education centers for the grants is in 1019, this is the policy. The money was duplicated when it left the Senate.

Representative Kelsch said section 53 deals with contingency monies. House appropriations removed the $2 million for JPA's, which is now in 2013. This is the contingency money for the next biennium. The $1 million for high cost special education contract charges is there, the next $1 million for JPA's, the next $450,000 for ELL. This is in addition to what was in there when it left the Senate, to keep it somewhat equal with what we have done in the past for ELL. There is also $200,000 for school districts offering adult learning programs,

Representative Kelsch said section 54 allows for the contingency transfer for special ed if there are insufficient funds and is not new language.

Representative Kelsch said section 55 is the repealer for the school census language.

Representative Kelsch said section 56 is the repealers for new teacher compensation payments. The rest of the repealers were in the bill.

Representative Kelsch said the House removed the deferred maintenance section that was originally in the bill. Senator Flakoll may want to revisit that.

Representative Kelsch said on page 9 section A, House appropriations added this. It determines the baseline for districts. Only up to 50% of those distributions of the contingency line item could be determined for the baseline for the following year after they have received those distributions. Potentially we can talk about this as a policy committee, it was not discussed in a policy committee at all, it was put on in appropriations.

Representative Mueller said he would like to review section 11, the 50% provision, it was added by appropriations and we should at least talk about it.

Chairman Freborg said he received a note from Senator Flakoll indicating he thought section 28 was new.

Senator Taylor said section 23, the high valuation language, was not changed but he might want to look at it.

Chairman Freborg said in the session this afternoon, we will try to stay away from areas that would cause major problems for Senator Flakoll. He will return tomorrow.

Representative Mueller said he has a procedural issue. As we get into the bill, there are several other bills out there that could have an impact on 2200. There is the contingency money issue, there are some tax bills. There could be some major changes if they come to fruition. How do we deal with that?

Chairman Freborg said he agrees there could be some affect on this bill from other bills. We are going to have to resolve our problems all the way through the bill and if there are changes that would affect this bill, we will have to deal with it at that time. We can't wait. The other bills could be acted on prior to this committee completing its work. We will see what happens. We can go back to any section.

Chairman Freborg adjourned the session until 2:00 PM.

Chairman Freborg reconvened the conference committee at 2:00 PM. He distributed color coded copies of the sections the committee noted this morning, prepared by Anita Thomas. He said the committee will go through the sections noted this morning. He asked to start with section 7.

Senator Taylor asked what the dollar comparison was between the Senate level of .23 on the first 2 levels and the House version of .14 on the new immigrant ELL, he assumes it would be close to level one, and .02 which he assumes would be picking up a couple of more categories which the Senate referred to as 2, 3 and 4.

Representative Kelsch said the House took a look at the number of ELL students that have been reported across the state. They used a base number of 8000 – 8100. They looked to see what categories they fell into. When we began the ELL program, we were mostly concerned about insuring those students who had not had access to the English language and

to fund the services they need. That is why they put in a higher factor for those students. The other issue that came into play is that in current statute, the test is listed (Nunoz test) and is only going to be used for one more year. They wanted to address this since the test won't be used any longer and they were doing away with the levels so they wanted to be sure they reached the kids that need the support or the school district that need the most help with teaching these kids. That is why they had a higher weighting factor for the new immigrant ELL students. The rest would be distributed among the other students, that would probably fall in the 2, 3, 4 category. She does not have the number breakdown.

Senator Taylor said he supposes it was dollar neutral. How does the new definition compare to level 1?

Representative Kelsch said the dollars are neutral. The new definition is as close as possible to level 1.

Chairman Freborg moved the committee to section 10.

Representative Kelsch said the reasoning was it wasn't fair to give an advantage to schools already providing full day kindergarten so they used the 2008 enrollment rather than going backwards to 2007.

Representative Haas said for those districts that did not have full day kindergarten , they have no base reference so they had to start with 2008 – 2009 numbers.

Chairman Freborg said that should be alright.

Chairman Freborg said the committee would set aside sections 14 and 23.

Chairman Freborg asked if section 25 was ok.

Senator Taylor said his smile was a smile of approval.

Chairman Freborg moved to section 28.

Senator Gary Lee asked if it was a new section and why it was added.

Representative Kelsch said if the contingency money put them over the limits in section 27, they would not be penalized for it.

Chairman Freborg asked if it takes them out of jeopardy.

Representative Haas said right, on page 23 the ending fund deduct in the new formula is 50% of their expenditures plus $20,000. If the last disbursement would put them over that, they would be penalized. If they were doing a good job of planning their budget, and that happened inadvertently, the House committee felt they should not be penalized for it.

Representative Mueller said in the second year of the biennium, it goes to a 45% plus $20,000, puts them closer to an area they do not want to be in terms of excess ending fund balance.

Representative Kelsch added just for this biennium. Potentially, they could receive the contingency dollars but lose state aid.

No one on the committee indicated any problem with section 28.

Chairman Freborg asked about section 39. (meter 15:55)

Senator Gary Lee asked if it goes back to the original language and that is why there is a difference in the weighting factor.

Representative Kelsch said that is correct.

Senator Taylor said the commission had a lot of discussion on the special ed costs and the guarantee and the comfort with having the higher threshold of 4 ½ times as long as it was guaranteed. He liked the Senate version that looked at 3 ½ times. His little amendment for the smaller school districts who can be at a mill levy cap of 185 or beyond in some cases and they have one high cost student that can eat up a pretty large percentage of their budget. Families are mobile. If we had taken it down to 2 ½ times, his amendment for the small school districts that looks at a budget busting occasion would not have been needed. He would like a discussion of special education costs and knowing this is significant for a lot of school districts.

If it's going to be at 4 ½ times, it can be a real hardship. It was mentioned the 2% idea was unworkable and he can appreciate the mechanics of some ideas not working in the formula but he would like to see it addressed in another fashion, a weighting factor or something that helps alleviate that situation.

Chairman Freborg asked about section 51 and 52 and no one on the committee indicated any problems.

Chairman Freborg asked about section 53. He asked for thoughts on removing the deferred maintenance language.

Representative Kelsch said the House was concerned about obligating $10 million in the general fund if the threshold was reached. The other concern was giving all schools the flat $20,000, not knowing whether they have maintenance needs. They wondered if it was better to put the $10 million into education for the next biennium or into deferred maintenance and the consensus of the committee was it was better used in the education formula in the next biennium. That is the reasoning for deleting that section.

Representative Mueller said the discussion of adequacy in the upcoming biennium and the House felt all that money should go to that effort where we think in the session ahead of us we will have some very significant issues with funding adequacy. The school districts have been managing to get done what they need to get done with their buildings through whatever means they have.

Representative Haas said all school districts have within their general fund budgets, an operation and maintenance category which is kind of a building fund maintenance kind of thing. It's not the building fund because they have another permissive levy that can be used for that purpose. The House thought the school districts have considerable flexibility already in managing their budget to either divert or not divert funds to that kind of maintenance. He is not

referring to the debt retirement fund, he is referring to a separate levy they have specifically for that purpose.

Chairman Freborg said we should leave this until Senator Flakoll returns.

Representative Kelsch agreed that was a good idea.

Chairman Freborg said we should leave section 49 (56) for Senator Flakoll.

Chairman Freborg asked about section 54 (53).

Representative Kelsch said the two changes were adding $450,000 for ELL and the $200,000 for adult education.

Chairman Freborg asked if Representative Kelsch had a print out for the contingency money.

Representative Kelsch said the House version would be the contingency items for the upcoming biennium. She does have the House additions for this biennium. (meter 27:04)

Chairman Freborg asked Jerry Coleman about the contingency dollars for this biennium.

Jerry Coleman said $14 million now.

Chairman Freborg asked if it was $12 million.

Jerry Coleman said the $12 million number they were using was uncommitted dollars.

Representative Kelsch said for the 2005 – 2007 contingency monies, she has these items: $450,000 for ELL, $1 million for JPA's these would be the numbers that the Education committees put in during the last biennium in the conference committee. There was $25,748 for the Glenburn School District. She is curious about the following items: $200,000 for adult education is referenced in the contingency line item for this biennium and $200,000 are referenced in the contingency funds for the next biennium so there are $200,000 for this biennium and $200,000 for the next biennium. She doesn't know if that is correct. $2 million for JPA's for the upcoming biennium, $500,000 for the school aid application rewrite, $650,000 for the ESPB teacher licensure application rewrite, $77,000 for the ESPB stipend for teachers

with National Board Certification, $400,000 for defibrillators for schools, $395,000 for grants for North Central Council of School Television, $50,000 for a teacher exchange program for through the school boards association and, its not on her list but in the Health Department budget there is $1 million that is also taken out of the contingency monies for school nurses (meter 30:23)

Chairman Freborg said it has become a real slush fund.

Representative Kelsch said that is correct.

Chairman Freborg said the committee should set it aside and everyone take a good look at it and decide what we may want to do.

Representative Kelsch said unfortunately the only contingency money we have in this bill are the next biennium, all of the other contingency line items are in 2013 for this last biennium. It looks like about $8 million will be distributed out to schools.

Chairman Freborg said lets look hard at it, maybe there is a solution, we will look for one. We have things in here that have always been funded through the general fund and now we are starting to set a precedent where this contingency will go to things not directly tied to elementary and secondary education. He would prefer not to begin funding anything that comes along out of the contingency.

Representative Mueller said he does not disagree. The projects are good things. The disturbing part is when we have made the determination in times gone by, it was made by the education policy committee. That seems more acceptable that having the appropriations people do that. It is a very major departure from what we have done in times gone by.

Representative Haas said he couldn't agree more. A few sessions ago we made the decision the money appropriated for the per pupil payment was going to be distributed one way or another based on ADM. It is contrary to that policy to now start, because we have a significant

amount of money left, to either move it forward and take things out of it for the next biennium or take additional items out of it for this biennium. That troubles him. This year is somewhat of a fluke because we have more left than normal. Based on the numbers that are there, we could have had a per pupil payment of $50 higher in the first year of the biennium with the other portion being used for the second year with an additional increase of $48 or $49 per pupil. If our projections are accurate enough so we can disburse the money on the per pupil payment rather as a contingency line item. We are setting a precedent we should not be. In subsequent years if that fund is as not as large as it is now, those things taken out in this biennium will fall by the wayside or we will have to find funding somewhere else. This is a major topic of discussion.

Chairman Freborg said we will set section 53 aside. He said the committee has been through all the sections and we have about 5 or 6 problem areas.

Representative Mueller said the contingency dollars that are finally left over, only 50% will be added to the baselines and he hopes the committee will be able to revisit that issue. It was done in House appropriations. It has a significant impact on a lot of schools as to where their baseline is going to start. If we are going to apply only 50% of the contingency monies, that further erodes and makes life difficult for all schools but especially for a certain group of them.

Chairman Freborg asked if that will affect the base in 2 bienniums.

Representative Kelsch said the base from the first year is used. $4 million would be considered if we are looking at 50%.

Representative Kelsch distributed amendment .0924. We have heard from several school districts that are receiving the 2% increase and that is an issue they have been concerned about. This is an effort to help with the transition to the new funding formula. The minimum a school district could receive would go from 2% to 2 ½ % the first year and then the second

year which the year some school districts seemed to be hit a bit more, it would go from 3% to 4 ½ %.

Representative Kelsch moved amendment .0924, seconded by Representative Haas.

Chairman Freborg asked if this would cost about $1/2 million.

Representative Kelsch said yes, $1/2 million to $600,000.

Representative Haas asked if this applies to version .1200.

Representative Kelsch said it applies to .900.

Senator Gary Lee asked if this is an additional $1/2 million or a shifting.

Representative Kelsch said at this point it is within the appropriation. She is looking for other avenues so it would not be taking from someone else.

Representative Haas said this would be the one area that would be a legitimate reason to take it out of the contingency money. It would be going right back to the per pupil payment.

Representative Kelsch said that is a consideration.

Representative Mueller asked if she has a breakdown in terms of dollars.

Representative Kelsch said no.

Representative Mueller said he likes the amendment and will support it. There may be other amendments to affect this concern and he is not supporting it to the exclusion of further improvement.

Chairman Freborg said anything is possible.

The motion passed 6-0-0.

Chairman Freborg said we will wait for further work until Senator Flakoll is here. He adjourned the committee until 9:00 tomorrow morning.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: April 10,, 2007

Recorder Job Number: 5854, 5875

Committee Clerk Signature

Minutes:

Chairman Freborg opened the meeting of the conference committee. All members were present. He asked the committee to turn to section 53.

Senator Flakoll said for the record, he is supportive of the Kelsch amendment the committee passed yesterday when he was absent. He reviewed the amendment and said while he was not a part of the vote; he wanted to voice his support.

Chairman Freborg asked the record to show Senator Flakoll is in support of the amendment.

Senator Flakoll said he is looking at section 53 of the .900 version. He will have additional material this afternoon or tomorrow because there were some inaccuracies in the minutes that he read. Section 53 on the deferred maintenance plan was one of the provisions he forwarded to the commission for their consideration, if the ending fund balance in the state is higher than projected at the end of the first year of the biennium or the end of the second year of the biennium, being in excess of $30 million over the projections. It varies from day to day but that figure would be about $65 million over base zero. Then $10 million would be available for the school districts which would be paid out $20,000 per district to give them all a sizable amount as a basis, which would take $4 million. The balance would be paid out on a per student basis. In hearing testimony related to the issue, they found classroom remodels were costing $20,000; it could be used to make the schools more efficient through HVAC, insulation, etc. In

the interim committee they heard as they toured the state all the school districts had needs in terms of deferred maintenance. whether they were equity or non equity, small or large school districts. This would only kick in if the state does well above the projections. If we would have done this last session, we would have been pleased with our decision. The $20,000 is to give everyone a basis so even if there are only 25 students in the school; they could still do some notable things with the money. It was based in part upon the provision we have in current law about the $20,000 from the ending fund balance so it has a basis in history with the legislative process.

Representative Mueller asked for a description of the grants, what is the mechanism for delivery.

Senator Flakoll said a school district would qualify by being an active district. They would be required to prove the funds were used for deferred maintenance; they could not use it for the Christmas program. They have to show receipts. The decision would be made by the school district based on their individual circumstances.

Senator Taylor asked if we leave a lot in the hands of the superintendent and Department of Public Instruction to make the decision on maintenance vs. non maintenance items.

Senator Flakoll asked for an example. Planting flowers outside the schoolhouse does not count as maintenance but if the foundation is broken, that would be deferred maintenance. It's a Department of Public Instruction call, much like they make the call with respect to other building funds.

Representative Kelsch said as a member of the commission, she went along with this idea because she felt it was worthy of further discussion. It was an issue that came on right towards the end. It did not get a lot of discussion and she hoped through the legislative process it would receive more discussion. In the House it was an area that was not really addressed except by the committee. The committee's

concern on the House side was that they would be sending out $10 million and that would potentially be $10 million less that would be used for adequacy the next biennium.

Representative Haas said if there was a $30 million ending balance in June, 2008 or it showed up in June, 2009 this automatically assumes the highest legislative priority for those monies would be this particular item and it takes away some of the flexibility of the future legislative session to set the priorities and use the money in a different way. That was part of the discussion as well.

Senator Flakoll said that is an important consideration, in the Senate they felt it was a priority issue and they wanted the money accounted for without outside intervention. That is why they appreciated it. He does not have the minutes and data before him that he intended to bring but in the minutes on the House side there was a portion that indicated the commission had not taken a position one way or the other or that it passed by simple majority. All votes on the commission are by consensus or require 8 out of 10 of the members to vote in support. That one passed with 8 out of 10 votes in support at that time. It also passed on final adoption. That is an important point of clarification that was misinterpreted in some discussions.

Representative Mueller said as the discussion on the commission moved forward, was there discussion about the ability of local school districts to generate those dollars for deferred maintenance. They have some building fund levies and some maintenance levies, some are doing it, and some are not. Was there a sense this was a critical piece to supplement that?

Senator Flakoll said they did not have a great deal of discussion on that point, local vs. state involvement. If you were to poll school district administrators and ask if they could find a good use for it, a high number would say yes. It is a one shot deal. They did hear that we have tied their hands a little; we have told them they have to allocate 70% or more to salaries which leaves 30% for everything else. This is in the everything else category. Efficiency items such as HVAC's, by replacing a unit over

a period of so many years the school district can recoup the cost or provide a healthier environment. Two interims ago there was significant discussion and notable disappointment on the part of the legislators that there were a good number of schools that were not up to fire safety code. This would be an area where advances could be made.

Representative Mueller asked what HVAC is.

Senator Flakoll said it is heating and cooling systems.

Chairman Freborg asked the House conferees if some neutral ground could be found.

Representative Kelsch said this was not part of the overall discussion during the commission. It was an amendment brought at the last full meeting they had. She supported Senator Flakoll when he put it on because she wanted further discussion. She still has concerns. If you asked superintendents 2 questions on a survey, number one if they would want this money for deferred maintenance (and they would say absolutely) but number two, if you asked if they would rather have the money for deferred maintenance and have the appropriation reduced by $10 million during the next legislative session, they would probably say no. That is her concern. In the next legislative session, if adequacy is looked at, will appropriations say they got $10 million in deferred maintenance during the last biennium so they will not fund as much for adequacy. It is a worthy issue and a good idea but that is her concern.

Chairman Freborg said he can understand how they would want the $10 million in foundation aid in a couple of years but a bird in the hand is worth two in the bush.

Senator Flakoll said to look at what is happening with the contingency money from the current biennium. If we spend a certain number of dollars on a project at Dickinson State, there is not an expectation that would take money out of next biennium for higher ed. We look at it on a biennium by biennium basis. We are more restricted by the dollars available than by what we have done in the past. Would the schools like to have it on per student payments? Probably because they would think they

would get it every session. But in scenarios where we set aside money for one time funding, this is a decent fit.

Senator Taylor said his support in committee was because all schools have needs and $4 million is going to go out on $20,000 payments because regardless of the number of students, there are going to be needs. Furnaces have some inefficiencies in today's energy market and if a school could access something to make them more efficient, it would pay good dividends in a short amount of time.

Representative Mueller said another consideration is it may go to schools that won't exist in 2 – 3 years or less. That bothers him. Also, we never seem to have too much money.

Representative Haas said he is not ready to move on this now. This binds future legislative sessions and he doesn't like the idea.

Chairman Freborg asked if there is any neutral ground, perhaps if the $30 million was increased to $40 million or $50 million.

Representative Haas said he would suggest $200 million.

Chairman Freborg said he doesn't think it would be feasible to go so high the expectation wasn't there.

He asked Senator Flakoll if he had any last words.

Senator Flakoll said in terms of threshold requirements, would there be interest on the House side in a minimum local effort? If a school closed in two years, we are sending them money now for other things some of which will be used to fix the roof. There is one group of 5 that Tom Decker is working with. Department of Public Instruction knows those that would be reorganized within the next biennium. If it is 5 years out, those students that are there for those 5 years need to be taken care of properly. We wouldn't think of having an unsafe environment with highly visible asbestos or something and just say we are going to close in 5 years anyway.

Chairman Freborg said the committee will set that issue aside and move on. He asked if we set section 23 aside for a reason.

Representative Kelsch said it is the calculation for full day kindergarten. The purpose of laying it aside was the concern on page 23 on line 10 because it allows Department of Public Instruction to define what early childhood special education is. Concern was on the number of hours.

Chairman Freborg said he is not sure we have a problem in that section.

Representative Kelsch asked if early childhood special education is defined by IDEA.

Representative Haas said he will check with Bob Rutton, he suspects there are regulations in IDEA.

Chairman Freborg asked about section 54. We have another list for 2013 and asked if the committee has copies (attached)

Representative Kelsch said the list is still missing the $1 million for school nurses that in the Health Department bill. This is for the 2005 – 2007 contingency money.

Senator Flakoll said he asked Jerry Coleman yesterday for a print out of contingency money for the last 5 bienniums so we can get a feel for what it has been in the past. (attached, distributed in afternoon session)

Representative Kelsch said as she looks at what we have put in section 53 for the next biennium, 2007 – 2009, with the exception of the $1 million for special education, the JPA's and ELL have been typical two items as priorities in the last biennium and the biennium before. Once in a while we have done something like we did for the Glenburn school district, where there was an accounting error, something unforeseen.

Chairman Freborg said he doesn't know that we have a problem with that.

Representative Kelsch asked how we go about addressing the contingency dollars for 2005 – 2007 when they are listed in 2013.

Chairman Freborg said maybe we can figure out a way. First we need to decide whether we do or don't favor what is in 2013.

Senator Flakoll said regarding 2013 and the laundry list of contingency money that was specified, it relates to this bill and the future. How will we fund the nursing program on a go forward basis if we are cannibalizing the contingency money from the current biennium? National board certification is a prime example of something that is very appropriate to use the current biennium funds because it is something we thought we had taken care of in the past. We are paying for a past indebtedness. Some of the expenses that will be recurring, he wonders is there was a discussion of the big picture and how we will handle that. He worries when others start the habit of cannibalizing some of these monies for things that could arguably be funded in the current bill, JPA is a prime example.

Representative Kelsch said she would be curious if the following were actually in the Department of Public Instruction budget bill as it originated in the House: $500,000 for school aid application rewrite, $650,000 for the ESPB teacher licensure application rewrite, $395,000 for a grant to North Central Council of School Television, $50,000 for teacher exchange program through the school boards association. She knows the $400,000 for AED's was not in the budget, the $77,000 for stipends for national board certification was not in there and she believes the $2 million for JPA's was not in there because it was originally in 2200. The $200,000 for adult education, the money was not appropriated and it is now $200,000 in this biennium as well as $200,000 on a contingency line item for next biennium.

Wayne Sanstead said Representative Kelsch was right on each point, the first ones were not included, the rewrites were all included but at higher amounts.

Representative Kelsch asked if they are one time expenditures. She was not privy to the hearing on 2013.

Representative Haas said they are primary software rewrites. He agrees with Senator Flakoll on the issue of taking money from this fund rather arbitrarily. He can see at least 6 things that could be considered recurring expense. As soon as you take what is perceived to be a recurring expense out of a contingency line item it makes it an afterthought and gives no firm commitment to the future as far as funding. There may be some justification for taking what is absolutely a one time expense but it could be argued and he doesn't like it.

Chairman Freborg said he agrees, it doesn't matter if its one time or not, if we set a precedent this time with funding numerous things out of the ending fund balance it will soon be gone.

Representative Mueller said ditto. One of the problems with these kinds of lack of sustainable expenditures is that as we refine and define our process to fix the formula so we don't have $14 million at the end of the biennium, it would be wise to do a better job in the future. What can we do about it?

Senator Flakoll said even a 1% cushion would be $8 million, that someone wants to cannibalize. It will keep getting larger. We need some kind of a protective cushion. There will be some sessions where 1% won't be enough. It's obviously too late but perhaps a bill such as 2013 should be rereferred to a policy committee after appropriations works on it, instead of a subcommittee of three.

Representative Mueller said maybe the answer is obvious; we need to set something in code to talk about how contingencies are handled. Three or four bienniums ago we said any carryover contingency money goes back out on an ADM basis and that has held up. Now we are into another different kind of game. Maybe we need an amendment that speaks to how contingency moneys are handled down the road. If this can and will be an ongoing issue, we should address it.

Chairman Freborg said maybe a couple of us should meet with leadership to discuss priorities. There is not a lot else we can do. Even if we make a good point on the floor, this will be one of the last bills they act on and he doubts it will go back.

Senator Flakoll said on the Senate side, the #11 one, none of us have heard of it, never heard a word of testimony, the Atlantic teacher exchange program. Was that issue brought up on the House side in the policy committee? It is interesting that just last week we were begging for $25,000 for teacher mentor programs that are universally accepted and then we have a program here that is out of the wild blue yonder that no one on the policy committee had a chance to weigh in on. Is that more important than other things we have had to lay to rest because of money?

Representative Mueller said he has a suggestion. Maybe at this stage of the game, maybe the laundry list, and they are all pretty good things he is sure, would be allowed at this time but we set together a policy for the future that we should not be doing this kind of thing. He would work with some folks to see if he could fashion such a policy statement.

Chairman Freborg said we will visit with leadership and see their feeling. There is little opportunity to change it. We will set this aside for the next meeting. We need to resolve 1449 at the same time.

Senator Flakoll said he will have a couple and will have them by Friday.

Representative Kelsch said she would recommend Senator Flakoll get them on the table sooner than Friday.

There was discussion of which Friday.

Representative Mueller said he wants to discuss the contingency money that ends up existing and what amount of that is included on the baseline.

Representative Kelsch said apparently the press must have thought yesterday's afternoon session was not going to be very interesting and missed the fact we made quite a move to benefit small schools by adopting an amendment that would increase the minimum to 2 ½% the first year and to 4 ½% the second year. Since they were here writing about this 9:00 – 10:00 session, this would be something noteworthy for them to include in their writing for tomorrow's article.

Senator Flakoll said or reporting.

Representative Kelsch said or reporting for later on. She recommends they are here for every session, each one will be noteworthy.

Senator Flakoll said riveting.

Chairman Freborg adjourned the meeting of the committee until 3:00 PM.

Chairman Freborg reconvened the conference committee at 3:00. All members were present.

Representative Haas said he talked to Bob Rutton and the reason it is worded that way is Department of Public Instruction establishes the rules for preschool special education students because the length of their day is based on the IEP so they can't have one set definition. He thinks it is appropriate to leave the language like it is.

Chairman Freborg asked if there were any problems with section 24 and no one on the committee indicated any problem. He said we will set it aside.

Chairman Freborg said that leaves us with 3 or 4 sections, we have deferred maintenance and the contingency money.

Senator Flakoll said he has one more thing, it's a simple amendment and not drafted yet.

Senator Flakoll moved an amendment on page 46 line 28 of the 1200 version to overstrike the 4 and replace it with a 5, seconded by Representative Kelsch.

Senator Flakoll said this the ELL money on the contingency line. Because of the ongoing evolution of ELL, and the House has done a very good job with defining and weighting, but we need to make a little progress. If this were to all play out, hard dollars in the bill with contingency dollars would be $1 million and with this amendment it would be $1.1 million. It helps us a we move towards adequacy.

Representative Haas said as we continue to study adequacy, there should be a factor for ELL students and when that happens there would be no need for an appropriation, it would be built into the formula. Were there discussions on the commission on that issue?

Senator Flakoll said there is a weighting factor on page 5. The intent of the commission and the legislature as a whole is, as we move towards adequacy and determine the real and true costs that we will need to have more money. If we don't make some progress we will continue to be further and further behind. If we add groupings, we want to be able to, as close as possible, fully fund the groupings we have accounted for. These things float significantly. We are in the transition into a new evaluation procedure and it will cause some hiccups along the way.

Representative Haas said he does not disagree with that and we certainly want to provide enough resources to meet the needs we have. As we move forward in refining the formula, if we are going to maintain the integrity of the formula, we need to come up with factors that address it so there do not have to be outside appropriations to deal with it.

Senator Flakoll said a comparable example is some of the changes we have made in special ed, particularly on the contracts line. At this point we are not positive how much it will be so we have two backstops. It is "up to" language, if it's not used, then it will revert to lower lines. He hopes we use it for educational purposes, he hopes it doesn't get cannibalized for snow angels.

Representative Mueller said $100,000 isn't a lot, does it change the factors on page 5, what is the impact on lines 20 and 24.

Senator Flakoll said it would not change those at this time, we are still trying to sharpen our ability to provide good data and the transition to a new system makes it tough to get a tight appropriation level for it. No fault to anyone, we are in a transitional phase.

Representative Kelsch said we had $450,000 in the last biennium, the biennium before that was $350,000, this is a good move and is warranted. We are not seeing less ELL students in the state, especially the new immigrant ELL, we are seeing more. This is an important issue and worth a commitment by this legislative assembly.

Senator Flakoll said when we look at how much the state provides for the traditional student without any need for special ed and evaluate what percent the state provides, then we look at a special ed student and what percentage the state provides and look at ELL in the same way. In the latter two categories, the state isn't as far along as we are with simple base funding for students. Those are a couple of issues, as we move into subsequent sessions, we will continue to work on. The longer we let it stay at status quo, the harder it is to make gains.

Representative Haas said he does not want his earlier comments to be construed that once we have factors established for certain programs or groups of students with special student profiles that they would be in place forever. As we work towards adequacy, those factors would be in a constant state of flux, depending on needs and historical cost. They will need biennial review. He is looking forward to the adequacy issue, it will open a lot of new opportunities for us to meet needs of students in different ways than we have done in the past.

The motion passed 6 - 0 – 0.

Senator Flakoll said when we look at special education, we did make significant increases this session and we have done that now for ELL.

Senator Flakoll said he has some information from Jim Smith on the common schools trust fund which he distributed (attached).

Representative Kelsch distributed amendment .0929. The amendment deals with the tuition revenue received for school districts affected by impact aid. The portion of tuition revenue received by the school district due to impact aid, if it exceeds the district's full cost of education, then that is where the cap is. It is only for those school districts receiving impact aid. It affects Minot and Grand Forks school districts predominantly. It is a revenue neutral amendment.

Representative Kelsch moved amendment .0929, seconded by Representative Haas.

Senator Taylor said he has the 1200 version and since the amendment is on the 900 version asked to be walked through it.

Representative Kelsch said it is page 14 of the 900 version, on page 15 in the 1200 version.

Representative Mueller asked if it is close to not being revenue neutral.

Representative Kelsch said she doesn't believe so, she doesn't understand what close means.

Representative Mueller asks if it gets one district close to the point where they are going to be involved in equity payments. They are not there but another two years may put them there, would that be an accurate statement?

Representative Kelsch asked if the question is would they potentially qualify for equity payments.

Representative Haas said the opposite might actually take place. As their taxable value increases and if their enrollment declines, it will drive their imputed taxable value per pupil up. They may not fall into the 90% of the state average imputed value. It might have the opposite effect depending on their enrollment and taxable value. Those two variables have significant play in that situation.

Senator Flakoll asked what lines it replaces with the 900 version vs. the 1200 version. Is it still germane to the amendments or is it more the guts in the underlying portion? Are we still taking out the equivalent on page 14 lines 19 – 24 that was on the 1200 version. Is that still the intent?

Representative Kelsch said in the 1200 version it would begin on page 14 line 28 and it would remove line 28, remove lines 1 and 2, on page 15 it would begin on line 16. It would replace "tuition revenue does not include tuition" with "except" and this would become the exception on page 15.

Senator Flakoll said his understanding is the amendments requested for the two schools with air force bases would be off now, the language where the students don't count nor the tuition that follows them.

Representative Kelsch said that is her understanding.

Representative Haas said there is one difference and that is the only tuition that would count would be the same amount of tuition as if it were calculated according to the tuition payment calculation in section 15.29 12 which is outlined on page 27 of the 1200 version. They actually receive more per pupil than if they were calculating tuition based on the formula we use to calculate tuition for all school districts in the state. This is saying the only tuition that could be counted and imputed into a equivalent taxable value would be that tuition that is calculated according to 15.1 29 12.

Senator Flakoll asked how the students will be treated, are they all counted?

Representative Haas said the students are all counted and tuition equivalent to the same amount calculated as if the air base were another school district and paying tuition.

Senator Flakoll asked what would happen if the number of air force base students doubles or is cut in half.

Representative Haas said he his not sure because he is not sure how the US government comes up with the amount of money they give a school district based on the number of students that are going there. He doesn't know if anyone knows that calculation.

Senator Flakoll asked how this will improve equity.

Representative Haas said he is not sure it will improve or not improve equity. As a result of the commission report we have heard the schools receiving students from the air base should be taking that tuition revenue and imputing that into equivalent taxable value like other districts are being asked to do and they need to count those students in order to come up with their taxable value. He thinks it takes away the argument that those school districts that receive air base students are being treated differently and also it is fair to say we are going to count the tuition revenue and we are going to count the kids but we will count tuition only in the same manner that it is counted for any school district in the state. Anything above and beyond that is off the table with regard to imputed taxable value. That is fair.

Senator Flakoll asked if this is contrary to the Attorney General's opinion of February of last year with respect to how things are counted.

Representative Haas said he doesn't believe so but he can't answer that. There have been some discussions about that and he doesn't think Representative Kelsch would have brought the amendment if there was a serious question about that issue.

Senator Taylor asked if we can say with certainty what the net result of this would be for Minot and Grand Forks. What is the reasoning for attaching the amendment?

Representative Haas said with a given set of facts we can determine if either school district would qualify for an equity payment. Going forward it is hard to predict because there are some variables. You can make some assumptions about the variables and come up with a calculation. It is speculative.

The purpose it to treat those school districts exactly the same as every other school district in the state with regard to the revenue and the kids.

Chairman Freborg asked if it is being treated as other revenue.

Representative Haas said it would be tuition revenue, it is not other revenue because that is usually in the county category.

Chairman Freborg said he understands that. Are we going to be counting all the tuition revenue?

Representative Haas said not in this case, we are simply going to count an equivalent amount based on how tuition payments are received by a school district according to 15.1 29 12. The way every other district in the state calculates it.

Senator Flakoll we aren't really treating them the same because if you tuition children in from Bell, you pay the difference. He asked what happens if the feds cut their appropriation to ½ or 1/3, with this amendment will the state be obligated to fill the gap.

Representative Haas said if he was in one of those school districts and if the federal government reduced their payment to the district which made it less than the calculated amount of tuition, he would send a bill to the air force base for the difference. Good luck getting it out of the government but that is what should happen.

Senator Flakoll said that is the same as sending the federal government a bill for special education because they said they were going to fund it at a certain level too.

Representative Haas said if the funding level would ever fall below that district calculated level, then you can't impute dollars into an equivalent taxable value that you don't receive. Then you would impute the dollars they actually receive.

Representative Mueller asked what is the difference between what the federal government is sending to Minot and what they are asking for in tuition in other circumstances.

Representative Kelsch said they get a little over $8 million.

Chairman Freborg asked if it is based on cost? Is that the rate the government pays or is it based on Minot's cost to educate the children?

Representative Haas said he doesn't know the formula the federal government uses to make that payment. We know they receive X amount of dollars and X amount of kids. The difference in the amount they receive and the amount that would be calculated based on tuition charge calculations is about $3 million, for Minot. They receive $11 million and based on tuition calculations they would get $8 million so the difference is $3 million that would not have an imputed taxable value.

Chairman Freborg said he doesn't necessarily oppose the amendment but he is trying to figure out when we talk about all outside revenue, then we are going to exempt $3 million.

Representative Haas said the concept is that the tuition that would be received by Minot would be treated in an equivalent fashion to how tuition is treated by every other school district in the state of North Dakota. They are being treated very fairly in that way. We can argue about the other $3 million but the fairness aspect is they are being treated just like the other school districts in the state.

Senator Flakoll said with revenue neutrality, is it based on a comparison to the language we are taking out or compared to the bill as introduced.

Representative Haas said he does not know what Representative Kelsch was talking about.

Representative Kelsch said it is revenue neutral as compared to the previous amendment.

Senator Taylor said with a static set of circumstances, would you expect Minot to receive the same aid under this amendment as it would under the 1200 version, except in the future it would be more fair.

Representative Haas said yes.

Representative Kelsch said yes.

Senator Flakoll said the reason why he asked about the three different versions is one of the administrators in Minot ran some numbers that they would pick up quite a few hundred thousand dollars with the amendments put on at the request of Senator Krebsbach in the Senate. That is why he wants to be sure it is revenue neutral to the 1200 version which he thinks is probably the case, not the bill as introduced.

Representative Kelsch said the way the Senate sent the bill over to the House with the amendment regarding impact aid from the air base, in particular Minot, this amendment would be revenue neutral to that amendment and to that version as it was sent over to the House. The House did not touch that amendment so it would be the same as it stands today, although there have been some tweaks.

Chairman Freborg said the amendment Senator Flakoll is talking about was worth $900,000.

Representative Mueller said the amendment isn't going to tap into the $900,000. It does move Minot closer to a position where they may access equity moneys but they do not access equity moneys with this amendment.

Representative Haas said that is right.

Chairman Freborg said he is having a hard time understanding when we say tuition revenue includes all the revenue, does every district get the same tuition?

Representative Haas said no.

Chairman Freborg asked why we are not counting all of what we consider tuition for the air base districts.

Representative Haas said because we are going to count it only in the same fashion as we count it for every other district in the state.

Chairman Freborg asked what is the same fashion?

Representative Haas said it is the calculation every district has to go through to determine their tuition charge based on page 27 in version 1200, there is a very specific procedure. It so happens the government pays a little bit more than that.

The motion passed 5 – 1 – 0.

Chairman Freborg adjourned the meeting of the conference committee until 9:00 AM tomorrow.

# 2007 SENATE STANDING COMMITTEE MINUTES

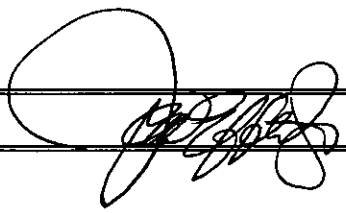
Bill/Resolution No. **SB 2200 Conference Committee**

Senate Education Committee

☒ Check here for Conference Committee

Hearing Date: **April 11, 2007 am**

Recorder Job Number: **5896**

Committee Clerk Signature 

**Chairman Freborg opened the meeting of the conference committee. All members were present.**

Chairman Freborg, Sen. Flakoll, Sen. Taylor

Rep. Kelsch, Rep. Haas, Rep. Mueller

**Chairman Freborg** :said there are four issues left. If we don't take them up, we will be having a very short meeting this morning. The reason the conferees are not ready is they are doing some work on several of the issues such as deferred maintenance. We are doing some checking, getting some information. The same is true with the contingency money; that keeps building, everyone is putting a few dollars on that so we're taking a hard look to see what we might do. A couple of issues on teachers comp and imputed value remain. I'm not sure we're ready to work on things unless the committee has something they'd like to discuss this morning. Anyone?

**Chairman Freborg adjourned the meeting of the conference committee until 2:30 pm today.**

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200 Conference Committee**

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: **April 11, 2007 pm**

Recorder Job Number: **5921**

Committee Clerk Signature

**Chairman Freborg reconvened the meeting of the conference committee. All members were present.**

Chairman Freborg, Sen. Flakoll, Sen. Taylor

Rep. Kelsch, Rep. Haas, Rep. Mueller

**Chairman Freborg said** we have 4 issues left, I know a couple of them are not ready.

**Senator Flakoll** said for the record, there was a special education provision that was held on Monday for me, without objection, we can let that stand as is. That can be taken off the watch list.

**Chairman Freborg** said he is not sure we were counting on it.

**Senator Flakoll** said he was asked about that, where it was and what the situation was.

**Representative Kelsch** said she has two amendments that are not drafted. She will be bringing in 2 amendments tomorrow morning. They will cover the $600,000 for increasing the percentages to 2½% the first year, and 4 ½% the second year and up to $200,000 ( she thought about $100,000 but went to $200,000 after discussions that indicated we were probably better off putting more in there "just in case") to bring in research specialists for the adequacy study for the commission. Both of these items, if the money is not completely used,

the balance would be redistributed based on ADM. They would be coming out of this year's contingency dollars.

**Chairman Freborg** asked if that would be an additional $200,000 or is that a total of $200,000 counting the $40,000.

**Representative Kelsch** said it would be an additional $200,000. The $200,000 is based on conversations with national organizations when she asked for their recommendations. They said we may get one individual for $50,000, $75,000 or even $100,000 dollars. They thought it may be more costly than the original $100,000 she had considered. It's easy enough for the committee to change it if we think $100,000 is plenty.

**Chairman Freborg** asked what will happen to the balance.

**Representative Kelsch** said if it there are funds remaining that money would go out based on ADM. We want to make sure these monies do go out for the next biennium. Potentially, we wouldn't spend those monies until the second year of the biennium.

**Representative Mueller** said he will have something prepared having to do with the 50% of contingency money, that would put 100% of the contingency monies back into the baseline. He does not have the fiscal impact yet but will have that.

**Representative Kelsch** asked if we have the most recent items that are on the contingency line. Have there been further additions to the document that we saw yesterday?

**Chairman Freborg** said he has one titled April, 2007.

**Representative Kelsch** asked if anyone is watching it for us. We should ask if there is anything out there, she has heard there are some amendments potentially drafted

**Chairman Freborg** said we can check.

**Chairman Freborg** said if there is money left over from $200,000 we better make sure it works through foundation aid, because when they find out there may be funds left they'll take what's left.

**Rep. Kelsch** said that will be part of my language in her amendment.

**Representative Mueller** said, related to the contingency fund, he has requested an Attorney General's opinion on what the AED bill is going to do. The House had a lengthy floor debate as to who can access those dollars. It goes back to private and parochial schools vs. public schools; it seems to be a bit unclear. We're asking the Attorney General to make a determination about that and how it impacts the $400,000.

**Chairman Freborg** said perhaps we have plenty of time for that opinion.

**Senator Flakoll** said there may be one or two sections which we may wish to consider the emergency clause.

**Chairman Freborg** asked which ones?

**Sen. Flakoll** said one is the expenditure of the $40,000 for the commission, so if they want to start in May, they can. That's what the bill was when it left the Senate. The emergency clause was defeated by one vote in the House.

**Representative Kelsch** asked if he also referenced the census part.

**Senator Flakoll** said no.

**Chairman Freborg** asked if this will take care of all but the 4 sections.

**Representative Kelsch** said that is correct.

**Rep. Haas** asked if we are counting the 50% contingency money concern of Representative Mueller.

**Senator Taylor** said Senator Flakoll had considered special education and now he has indicated it is off the table. Will we revisit anything on special education?

**Chairman Freborg** said there is nothing off the table. We'll go back during quiet time which is a good time to go back.

**Representative Mueller** said we did something with the minimum amount, moving from 2% to 2.5% the first year and from 3% to 4.5% the second year. He referenced at that time that there may be other possibilities, and would hope that we would have a chance to visit about that when the time comes.

**Chairman Freborg said** when we get near the end, if you have thought of some sections you would like to look at again, write them down so that we don't waste time. You never know if we are getting close, so it's a good idea to do it today.

**Sen. Taylor** distributed amendment 0930. He would like to discuss it. The House members will recognize the language in section 4. It deals with special education and excess costs; the amendment is slightly different than what we had in the Senate version of the bill when it went over to the House. We heard testimony from a school affected by high special education costs with a small student population. When the cost of one high cost special ed student is greater than 2% of the school's annual budget, the rest would be deemed as excess costs. Those costs would be the lesser of the difference between that 2% and either the 4.5 times the average costs of the student or the actual cost of that student. We had the discussion early on in the session in our committee about small population schools where one high-cost student can become a real budget buster. They are at their cap with their mills. Student population is fairly mobile, and the student needs the services, but can be hard to manage financially for local school board.

**Chairman Freborg** asked Senator Taylor to let it set until tomorrow and suggested he might have better luck if we digest this.

**Sen. Taylor** said that it would be good to everyone take a read on it.

**Representative Haas** asked for examples of how this has happened in the past.

**Senator Taylor** said one example is from his legislative district. He is sure there are more out there.

**Representative Haas** clarified the cost of one special ed child exceeded 2% of their entire budget?

**Senator Taylor** said that is correct. He doesn't know where the cutoff would be. It will be schools with less than 150 - 200 students. He did not have his spreadsheet with student population. He will have the numbers tomorrow; we can look at similar schools.

**Representative Haas said if** that happened in the past when the maximum was 2 ½ times, so at that time, did 2% exceed 2 ½ times?

**Senator Taylor** said he believed it did, it would be for sure at the 4 ½.

**Representative Haas** said in the bill at 4 ½ times, we are already going to cover all the related expenses. So what is this going to do that isn't already in the bill?

**Senator Taylor** said he will bring the figures that will show the difference from 4 ½X and 2% of annual budget would amount to $10,000 - $15,000.

**Senator Flakoll** said there is an indirect relationship between the 2, and not a direct relationship. Arguably, if you have a smaller student population that causes this, it could be just the one student, so then they would be over 2%, that's the only student that they have in special education, and the state has an average of 17-19%. Was it thought that 2% or assuming it exceeds the statewide average on the whole?

**Senator Taylor** said we are talking about the 1% that are high-cost students in the state.

**Senator Flakoll** said if there was one special ed student for the school district.

**Senator Taylor said** this is 2% per student.

**Senator Flakoll** said we should reference the total costs don't exceed the average.

**Chairman Freborg** said the committee will talk about it tomorrow.

**Senator Flakoll** said it appears to be a slightly different amendment, based on 1 student.

**Senator Taylor** said the previous amendment was one student, too.

**Representative Kelsch** said she wrote this down because what Senator Taylor was saying was potentially, you could be between 2% and 4 ½ x and then you're...

**Senator Taylor** said that would be excess costs.

**Representative Mueller** asked for clarification, if that small school had 2 students in that situation, do the same rules apply?

**Representative Haas** said yes, per student.

**Representative Mueller** asked for a ball-park range of the school Senator Taylor is talking about and their cost of education.

**Senator Taylor** said if memory serves him correctly, 2% of the budget would be $17,000; they may be spending $35,000 on that one student. It is a budget issue. When you have a small student population numbers can become your enemy pretty quickly in terms of percentages and one high-cost student can drive a bit of a wedge in a community where neighbors say this is 5% of our budget for one student. It would be a place for the state to come in and look at the excess cost in a school of that size.

**Chairman Freborg** said we have tomorrow to discuss that and adjourned the meeting of the conference committee.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☒ Check here for Conference Committee

Hearing Date: April 12, 2007

Recorder Job Number: 5962

Committee Clerk Signature

Minutes:

Chairman Freborg called the conference committee to order. All members were present. Chairman Freborg asked Senator Taylor if he would like to take up amendment .0930. Senator Taylor said some of the committee asked for a little information. He distributed a list of what the special education populations are in the different school districts (attached "A") and a list of the total expenditures from a number of school districts and what 2% would equal (attached "B"). On handout B, there is a line drawn on the second page which is the cutoff where you would reach the spot where 4 ½ times would be under 2% of their budget, $33,164 with Lidgerwood. Everything above that line is a school district that could possibly have some benefit from this. Most are school districts with less than 180 - 190 enrollment, K – 12. There are X's by 11 school districts that are the ones with at least one student classified as severe in the special education category, being a high cost student that would be covered by the 4 ½ times language in the bill. Lone Tree actually has two classified as severe with 33 enrollment and a mill levy of 215; you could see where that would get to be a budget buster for them. The one school that brought this to Senator Taylor's attention is Anamoose which is underlined, 79 students enrolled, 193 mills levied and they have one severe student and they could see a benefit of $13,000 - $14,000 for that one student. On the other handout, it is interesting to note

that while a lot of our severe cases are in our largest cities where the medical facilities are located, if you look at Bismarck with an ADM for special education distribution of over 10,000 and they have 30 students classified as severe, that is .3% in that category. In Anamoose with a population of 89 it a full percent so the math works against them a little.

Chairman Freborg asked Senator Taylor to make a motion.

Senator Taylor moved amendment .0930, seconded by Representative Kelsch.

Representative Mueller asked if there was a sense of the dollars we are talking about.

Senator Taylor said with 11 districts with at least 1 severe student or more, the ballpark figure would be $150,000 if they all took advantage of the new language. He assumes some that are close may not take advantage of that language.

Senator Flakoll asked if these dollars will be treated similarly to the contract dollars so there is a double backstop. We are estimating how much it may cost. If we don't have enough dollars, will we have back ups?

Senator Taylor said it is classified as excess costs the way it is written so he assumes the excess cost would fall under the backups that are in the bill.

The motion carried 6-0-0.

Representative Kelsch distributed amendments .0932. They prioritize up to $600,000 to be used from the contingency fund from the last biennium to cover the percentage increases from the minimum which is going from 2% to 2 ½ % the first year and from 4% to 4 ½ % the second year. If we are going to make those changes we do not want to penalize someone else within the formula. It may be $600,000, it may not be and the balance of that would go out to the school districts based on ADM. The second amendment is the $200,000 for the Commission on Educational Improvement for the services of experts and professionals for the adequacy study. Her first thought was for $100,000 but in discussions with others, they thought

$200,000 may be a better amount. The excess funds that are not spent would go out on ADM. She is concerned and curious as to how this would be distributed on ADM because the 2005 – 2007 contingency monies would have already been distributed and these monies would potentially not be used until the second year of the biennium. We do not want those monies to go into the next biennium's contingency fund because we do want them to go out based on ADM. She asked how this will happen because that is her intent.

Chairman Freborg said that is a good question.

Anita Thomas said she heard the question and that issue is being discussed and language is being crafted.

Chairman Freborg asked if this is the priority list.

Representative Kelsch said there may be something else coming. At this moment, this would be her starting point as to the priorities. The first two dole out monies we said were our priorities last session and they were included in 1013. The third one, because we want to make sure the school districts get to that 2 ½ and that 4 ½ , Department of Public Instruction needs access to those monies so they can distribute them when they make the other payment. That is a top priority. Obviously, if the commission is going to be able to start their work, and consult with experts about adequacy, they are going to need access to those monies right away. In her opinion, they are two good priorities.

Senator Flakoll said there were a few conference committees the last few days where the House conferees said they would be happy to have the policy committees' input as to priorities of the items on the contingency fund for the current biennium.

Representative Kelsch said she has had the same conversation. We will talk about the rank and order and it is best to do it here. She doesn't like to make an amendment without funding and the second one is an important issue if we are going to have a quality adequacy study.

Representative Kelsch moved amendment .0.0932, seconded by Representative Haas. The motion passed 6-0-0.

Chairman Freborg said there are a couple of sets of amendments being drafted on transportation and they should be ready tomorrow.

Representative Mueller said while we are on the topic of contingency funds, he would like to suggest an amendment that would strike the language on page 9 of the 1200 version lines 2 – 5 except for the word year.

Representative Mueller moved an amendment on the 1200 version, page 9 to strike lines 2 – 5 except the word "year", seconded by Senator Taylor.

Representative Mueller said the language provides 50% of whatever contingency monies are left go back to the baseline for the schools; the language is about the definition of the baseline. At the time it was put into motion, there was a lot more money in the contingency fund than we have as of a few moments ago. He does not disagree with any of the actions of the committee. They are good moves. We are now down to about $5.8 million in contingency funds. When the 50% language was added, 50% represented about $4.2 million. If we allow the language to stand, we are taking half of $5.8 million and adding it to the baseline. His amendment would make it count 100%. Unless there are other runs on the contingency fund, we would be looking at $5.8 million to go back to the baseline. That is the thrust of the amendment.

Senator Taylor said if we can keep $5.8 million on the baseline, it will have the biggest difference to the schools at the 2 ½ % and 4 ½ % to raise them up rather than have the eroded baseline that could have been at $2.8 million if we don't change the language.

Representative Mueller said that is correct.

Senator Flakoll said when the amendment was added, was there discussion as to whether it would encourage cannibalization of the contingency fund?

Representative Mueller said the amendment was not discussed in House Education, it came from House Appropriations. He was not party to the discussions. Historically we have sent the money out and he would like to hope it won't encourage any more cannibalization.

Representative Haas said he doesn't think it will affect people's willingness to take money from that fund for it's other than intended purpose. If we were able to predict without error exactly what our enrollments would be, there would be no money in this fund, it would all be distributed based on the per pupil payment, either the first or second year of the biennium. We would not be having this debate. The original intent of distributing the contingency money based on ADM was done by the legislature with the intent that we cannot calculate exactly but this money was appropriated for K12 education. This is another example of how we sometimes attempt to manipulate one variable in a formula to change the benefit to a certain group. He supports this amendment, it is more in line with the original intent of the legislation that spoke to how we are going to distribute the contingency money and now it becomes important because it is worked into the new formula.

Representative Mueller said this will have no impact on the contingency fund balance. But whatever is left, 100% goes back to the baseline.

Senator Flakoll said the .0932 amendment, the $600,000 would go to the base and be outside the purview of the amendment but how would the $200,000 be handled, it is on the contingency fund list but may go out on ADM?

Representative Mueller said the $600,000 is not on the baseline, it is there to bring us up a ½ % and 1 ½ % from the baseline.

Senator Flakoll said it will develop the new baselines.

Representative Mueller said he could be wrong, the baseline is the baseline, it will be there for two years when we leave this session.

Representative Mueller wanted to be clear he intends to leave the word "year".

The motion failed 4 – 2 with two Senate members voting against.

Representative Haas said in some discussions since our actions on amendment .0929, he thinks we may want to talk about it some more before we actually do our final bill.

Representative Haas moved the committee reconsider its action by which it passed amendment .0929, seconded by Senator Flakoll.

Representative Haas said the intention is to get the issue on the table and not to act on it today. He would like to hold it until we complete some of our other discussions.

The motion passed 6-0-0.

Chairman Freborg said he hopes the flurry of amendments today is a sign we are going to move more quickly. He adjourned the meeting of the conference committee until tomorrow at 9AM and 2PM.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200 Conference Committee**

Senate Education Committee

☒ Check here for Conference Committee

Hearing Date: **April 13, 2007**

Recorder Job Number: **5986**

Committee Clerk Signature

**Chairman Freborg** opened the meeting of the conference committee on SB 2200. All members were present. .

Chairman Freborg, Sen. Flakoll, Sen. Taylor

Rep. Kelsch, Rep. Haas, Rep. Mueller

**Rep. Kelsch** distributed amendments.0935 to study, not necessarily to act on at this point. The amendment adds transportation to 2200. We are putting together a total package for education, perhaps transportation should be in it. The mileage for rural buses, the school buses that are out there traveling the most miles, is increased $2 million from the contingency fund, to help out small schools. JPA's in the old language for '05 – '07 had $1 million and ELL had $450,000. In House Appropriations, they added $2 million for JPA's from 2200 to the 05-07 biennium contingency money. So she took $1 million of the $2 million for the JPAs and moved it into the '07-'09 biennium. Now in the 2200 contingency there would be $2 million for JPAs, $450,000 for ELL, $200,000 for adult education. We are not taking any money away from JPA's, it is just that they get it at a different time, which they would have anyway. They still receive the $1 million they were to receive from last biennium's contingencies, that was the old language in 1013. They will receive $1 million that is part of the $2 million that was part of the '05-'07 contingencies. In the '07-'09 contingencies, there would be $1 million for

JPAs. It is still $3 million total for JPAs, it's just when they receive it that has changed. She did leave the city buses, the buses within the city, are still at 51.5 cents, it was raised it a cent and ½ in the House.

**Chairman Freborg** asked if this would put transportation at $35.5 million.

**Representative Kelsch** said that is correct.

**Senator Flakoll said** he assumes it was an oversight, on the ELL, would Representative Kelsch's intent be to continue the previous amendment that had ELL at $550,000?

**Representative Kelsch said** yes, they will mesh together when we put all the amendments together.

**Senator Flakoll** said with the amendment, if we reference the current biennium's payout, would this be $3 million total more compared to the current biennium? Did the House raise it 1 and then there is 2 more, compared to the current biennium?

**Representative Kelsch** asked raised what?

**Senator Flakoll said** the mileage, there are some dollars that were not paid.

**Representative Kelsch** said when she asked Jerry Coleman about the $33.5 million transportation appropriation, she asked what we it could be raised within that, because not all of that was expended. Within the $33.5 million, that's what was increased with those cent and ½ and cent and ½.

**Senator Flakoll** said that's what he is getting at, the House raised it before we utilized the dollars that aren't being utilized in the current biennium, and I thought that was about $1 million. In the current biennium because of the cent ½ and your proposed action here, it would be $3 million additional dollars.

**Representative Kelsch** said technically, that would be correct, as far as payout.

**Representative Mueller** said he did not think it was a million, he thought it was more like $600,000.

**Senator Taylor** said he thinks that's correct, it was distributed at 67 cents, and now we're 6 ½ cents higher, which is positive. It doesn't make any difference if it is SB2401 or SB 2200, it makes no difference to him.$2 million dollars is significant, we hoped for more at one time. If we feel it is appropriate to put in 2200, he has no problem with that. At one time the commission wanted transportation on the side. It will help a lot of schools that are facing significant rising diesel and bus costs. He supports the amendment.

**Chairman Freborg** said under the circumstances, it's better that we put some transportation money in here so they can see it?

**Senator Taylor** said that's a good point, it might even reduce a conference committee on his schedule.

**Senator Flakoll** said one of the reasons the commission did not deal with transportation was it is not a constitutional obligation, so we basically set that off to the side in agreement, and said that if that's an issue, it would be better addressed by the legislature, that was the feeling of the commission. There is some merit in having the bulk of improvements in 2200. Senator Taylor and Senator Flakoll were on a conference committee this week that dealt with $3 million for a higher education issue. The money was stripped the out, and talked about it being a savings. They said, well, we weren't counting that money anyway for higher education, so that sometimes is what happens when we have money outside.

**Representative Mueller** said he was supportive of the amendment also, part of the reason it is kinder and friendlier for some of the rural districts, and the other part of that is, at the end of the day, almost everyone in the assembly will have to vote on this bill and this adds to another piece why one would want to support this bill.

**Senator Flakoll** said one of the interesting things is someone upstairs ran it early, we talked about oil and gas money being very good for the state, on the flip side, I asked how much will it cost us though? We have the cost of transportation, the state motor pool and the like, and that amount came to $41 million statewide. The heating and cooling of this building and additional expenditures, because of higher energy costs. I think the biggest problem with transportation is where did we get the money from? I think I found a willing donor.

**Representative Mueller** said if he is reading this correctly, these are additional dollars that are coming from the contingency fund. We won't have much left.

**Representative Kelsch** said the way she reads it, there would still be $6 million left in the fund, and looking back on the contingency money over the past 8 years: in '99-'01 the contingency fund was $5 million we spent $4 million; in '01-'03 the contingency fund was $3.9 million we spent $3.1 million; in '03-'05 the contingency fund was $3.2 million we spent almost all of it. The school districts are getting a nice amount.

**Representative Mueller** said if they were getting it all on the baseline, I think we'd really be happy.

**Chairman Freborg** said we need to get enough out of the fund related directly to education, they might start taking it for other reasons.

**Representative Kelsch** said that is correct, it should go to education. We need to make sure we get it to go to education. It is one good way to help the smaller schools and help cover some of the high costs of transportation and fuel costs.

**Senator Flakoll** said there will be a shift of dollars, we understand that, we look at what is best for the state. It is an opportunity to do some things this session with that because of that. It may be for small schools in a large geographic area.

**Rep. Kelsch** moved amendment .0935, seconded by Senator Taylor.

**The motion passed 6-0-0.**

**Rep. Kelsch moved amendment .0934, seconded by Representative Haas.**

**Representative Kelsch** said this is the money part of it. This contingency money, $450,000 for ELL is for the past biennium, '05-'07.

**Senator Flakoll** said it was understood that $550,000 is the number for '07-'09.

**Representative Kelsch** said that is correct

**Senator Taylor** said to make sure he has this straight, seems to him that both are section 28 relating to 130507, the first had our transportation money at sub section 5 and now this looks like the same, same section of law, without that transportation law.

**Representative Kelsch** said that is the intent. $2 million, transportation money is out of '05-'07, and that's where the transportation money is coming out of. What she's done with this one, she's corrected the JPA money. This is the shifting of the JPA monies. The change needing to be made, will reduce the $2 M to $1 M and on the back is where the changes are made from $1 M to $2 M in 2200. One addresses the contingency from '05-'07, and then this one where it says page 48, line 8, that would be the "900" version replaces $1 M with $2 M, so that's the funding for the JPA.

**The motion passed 6-0-0.**

**Chairman Freborg** asked Representative Kelsch if that clears her red envelope for the morning.

**Representative Kelsch** said yes it does.

**Chairman Freborg** adjourned the meeting of the conference committee on SB 2200 until 2:00 this afternoon. (The afternoon meeting was later cancelled)

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200 Conference Committee**

Senate Education Committee

☒ Check here for Conference Committee

Hearing Date: **April 16, 2007 am**

Recorder Job Number: **6052**

Committee Clerk Signature

**Chairman Freborg** opened the conference committee on SB 2200. All members were present.

**Chairman Freborg** asked there was anything to come before the committee. We are getting closer to the day that scattered amendments won't be accepted, so if you are considering amendments, get them to one of the very next committee meetings, like this afternoon. That could go on for awhile, but don't take a chance, if you have something you want to get in, do it soon.

Any other business to come before the committee? We are going to break again, very soon. We'll have more to talk about at 2:00 pm, until then, ADJOURNED.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2200 Conference Committee**

Senate Education Committee

☒ Check here for Conference Committee

Hearing Date: **April 16, 2007 pm**

Recorder Job Number: **6054** ***(starts at 10:32)***

Committee Clerk Signature

**Chairman Freborg** opened the meeting of the conference committee on SB 2200. All members were present.

Chair Freborg, Sen. Flakoll, Sen. Taylor

Rep. Kelsch, Rep. Haas, Rep. Mueller

**Chairman Freborg** asked the committee members to go through the 1200 version of the bill and see if they have a problem with any section other than section 14 or 49 (on 900 version). They can do it on their own. The committee will discuss any problems and resolve them today so that after today we will only have to take up those two sections. Section 14 in the 900 version is section 15 in 1200 version, section 49 in the 900 version is section 56 in the 1200 version.

**Representative Kelsch** said as a point of information, last week when we adopted the contingency amendments she talked about making sure the remaining monies would be distributed on a per pupil payment. The language to accomplish that was on the amendment we passed last week. It is consistent with the language in 2013 and says if any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute those funds as per-student payments on a pro-rated basis according to the latest available

average daily membership of each school district. That's going to be consistent language in all of those, ultimately being paid out more towards the end of the biennium.

**Senator Flakoll** said he has two questions. Since he was not here the first Monday of the conference committee when some of this was walked through, he asked for an explanation on ELL and how the weighting factors will play out.

**Representative Kelsch** said when we began the program for ELL we wanted to be sure we hit the kids that really needed help, especially the kids who were new to the U.S. with no prior English background. We developed the weighting factor to insure that we would get the money to those students that need it. The .14 weighting factor will go to the new immigrant ELL students, giving them a bigger weighting factor because we feel they are the ones who are the most needy and would need the most instruction in the English language. This would assure the money would go to those school districts that actually had those students. The second weighting factor would go to students that are also considered English language learners, however, they are not new immigrant ELL. They would potentially be students where English is not the most proficient language spoken in their household. They broke it into the two categories and weighted it heavier for those students with the most need like we do in special education.

**Senator Flakoll** asked if there was an estimate on the number of students in each category.

**Representative Kelsch** said no. It is a smaller amount of students that have the higher need. There are from 8200 to 6400 ELL students across the state, about 800 – 1200 would be new immigrant ELL. She can't get her finger on a definite number.

**Senator Flakoll** asked about the language in special education for excess cost and then he said we are fine.

**Representative Kelsch , Representative Haas and Representative Mueller** are all ok with it.

**Senator Taylor** said he does not have an amendment but the affect of declining enrollment in some school districts is a concern and he has been trying to think of a way to fix it. Some schools are above the average of 1 ½% decline in enrollment. We know that we can't keep those schools going forever, but they can have an occasional blip, if we could take the sting out it would be helpful.

**Chairman Freborg** asked if he is considering an amendment.

**Senator Taylor** said he wondered about going into the weighting factors, but once you run dollars through the formula it may not necessarily get to the schools that you are trying to target.

**Representative Mueller** said he has examined the issue, and there is a way to fix it, but it ends up being complex. If one were to assume that the average loss for students per year is 1.44 %, so you eliminate school districts with declining enrollments of less than 1.44%, and then attach the dollar figure to those folks, you would be dealing with the facts. He doesn't know what the dollar amount should be, perhaps 25% of an ADM payment, that would be the only way to fix the issue if we want to deal with it. For a lot of schools it just gets eaten up in the formula.

**Chairman Freborg** said anyone preparing amendments, try to have them by tomorrow morning. If we don't have them by tomorrow morning other than the two sections we still have out, then he will consider all the other sections closed, at least approved. Is that fair?

The committee agreed.

Chairman Freborg adjourned the meeting of the conference committee until 9:00 AM.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: April 17, 2007

Recorder Job Number: 6066

Committee Clerk Signature

Minutes:

Chairman Freborg called the meeting of the conference committee to order. All members were present.

Senator Taylor distributed two handouts (A and B attached). They relate to declining enrollment. Handout A shows school district enrollment from 2005 – 2006 and enrollment from 2006 – 2007. Handout B is a projection on declining enrollment by school district. The remedy would be amendment .0941, which Senator Taylor distributed. He said it would cushion the blow of declining enrollment. Some school districts have a blip, a bad year and the $1000 (1/3 of a payment) would help. He understands the committee will need time to study this.

Chairman Freborg asked for a cost of the amendment.

Senator Taylor said at the end of handout B is a roll out. It shows the cost would be $722,000 the first year and $738,000 the second year. To be eligible, a school district would have to be levying 150 mils and would need to be a high school district.

Representative Mueller said his question would also be how much will it cost. We had a discussion on this subject yesterday. This is a nice way of handling declining enrollment. If we only go beyond the state average for loss of students, it is a hold harmless and the contingency fund really covers any loss, that is if it is not raided.

Chairman Freborg clarified that Senator Taylor would not be making a motion this morning.

Senator Taylor said that is correct, we need to ruminate a bit.

Senator Flakoll asked what happens next biennium with the dollars. Are they held aside for the hold harmless?

Senator Taylor said we could budget for it. These are dollars what would end up in the contingency fund. If we missed the mark on the projection, the dollars would go to the contingency.

Chairman Freborg asked the source for the dollars.

Senator Taylor said he has not identified a source.

Representative Mueller said we could use the contingency dollars.

Chairman Freborg said if we hurry.

Representative Haas said he is beginning to think the contingency fund is a pot at the end of the rainbow.

Representative Mueller said for the committee's information, on the House floor this morning, an amendment, although rejected, from House appropriations indicated they had decided not to fund the school nurses ($1 million) from the contingency fund. However, the bill is going back to conference committee.

Chairman Freborg said this morning is the time to discuss this amendment.

Senator Flakoll asked if a school yo yo's, how would that work? If their enrollment is down one year then the next year they recoup their loss plus 3%, what would happen?

Senator Taylor said it would be paid year by year. A school district only qualifies if they have a decline in enrollment. As for funding ideas, we will end up with a $775 million budget. If $1.5 million was dedicated to schools facing declining enrollments, it would not be the biggest item in the budget.

Senator Flakoll said the current bill as supported by both chambers has a hold harmless when a school district moves from one category to another, there is a change in the weighting factor. In Senator Taylor's example, if the weighting factor differential is .01 at 123 students, it would be about $3700 in terms of the benefit.

Senator Taylor said with a decrease in student population, as you decrease, you get a bump up in weighting factor and it is some help but it does not cover the loss which is why he is looking at a third of a payment or $1000 flat.

Senator Flakoll clarified in his example, he used $3000 for easy calculation. He thinks our number will be higher than that but we won't know the number for sure until Jerry Coleman gives us the magic number at the end.

Chairman Freborg said we will give Senator Taylor an opportunity to bring this up this afternoon.

Chairman Freborg asked if Representative Mueller has a red envelope.

Representative Mueller said he does but it's just for looks.

Chairman Freborg asked Senator Flakoll if deferred maintenance is still alive.

Senator Flakoll said it was never really dead. He distributed amendment .0940. It cuts the bill as adopted by the Senate by half from $10 million to $5 million for deferred maintenance if the ending balance is $30 million over the projection. This is sometimes misunderstood. If the projected ending balance is $35 million and the actual ending balance is $65 million, this kicks in. The amendment requires matching funds which is to address the concern about a school district closing soon after receiving the deferred maintenance funds and to avoid spending willy nilly. There is also a minimum local effort of 150 mils.

Chairman Freborg asked if the amendment is informational.

Senator Flakoll said there will be a motion sooner or later.

Chairman Freborg said there is not too much to soak up, it has been in the bill since the beginning.

Senator Flakoll moved amendment .0940, seconded by Senator Taylor.

Representative Mueller asked if the trigger is met, how much total would this cost.

Senator Flakoll said a total of $5 million. The first money would go out $10,000 on a per district basis so the small school districts would have a relative mass to work with. That could be about $1.9 million. The balance would go out on a per student basis.

Representative Mueller said he commends Senator Flakoll on the concept. His concern is down the road as we deal with adequacy in the next biennium, these dollars would help with that. He still has concerns regarding schools that may close. He likes the match. There may be a better way to use the funds in the future.

Senator Flakoll said in terms of adequacy, as he traveled the state with the commission and with other hearings he heard about a significant need for adequate and appropriate facilities such as science labs. We especially hear about it in the science area, things have changed significantly in the past 30 years. It gives the school district the opportunity to spend it however they feel is most appropriate. They could invest in furnaces. It could be sent out at the mid biennium point. If we had done this last session, he believes we would be happy with our decision. It would not have taken one dollar away from SB 2200.

Representative Kelsch asked for an explanation of the match, is it on the first $10,000 or on all the money?

Senator Flakoll said he is flexible. They would need proof they did the deferred maintenance. If the worry for the match is some districts could reorganize, the $10,000 level would probably be fine.

Senator Taylor said as the amendment is written now, the match is for all the dollars, not just the $10,000.

Senator Flakoll said he agrees but we could further amend, that should not hold us up.

Representative Mueller said a lot of schools have building funds, could those dollars be used for the match?

Senator Flakoll said certainly. We are now at $175 million ending fund balance, they could apply some of that. The turn around time, if the money is loosened up in July, by the time plans are made it will be late fall.

The motion failed 3-3.

Representative Kelsch indicated she will have a red envelope this afternoon.

Chairman Freborg said he would like to say that any further amendments will apply only to the two sections we have not acted on however that is difficult to do, sometimes something good comes along.

Chairman Freborg adjourned the meeting of the conference committee until 2:00 PM.

Chairman Freborg reconvened the meeting of the conference committee at 2:00 PM. All members were present.

Senator Flakoll asked the clerk to put the copy of the lawsuit in the record. (C attached)

Senator Flakoll moved amendment .0940 except the match would be on the first $10,000, seconded by Representative Kelsch.

Senator Flakoll said this will scale it back and some may prefer the lower threshold, we approved that in kind earlier when we went through it section by section.

Representative Kelsch asked when we accepted it.

Senator Flakoll said we were going section by section, it was in the bill we were going through.

Representative Kelsch said Senator Flakoll may have missed the day when we went through the areas that were bones of contention. That would be in the colored sheets.

Senator Flakoll said in the nice quiet period when we all sat here reading the bill in the last 24 hours.

Representative Kelsch said when we walked through the colored sections, no one said they were crying to have that section put back in again. According to her notes, it was off the table unless Senator Flakoll brought it back.

Chairman Freborg said when the committee went through the bill, he was using a different version so the clerk marked a copy of the 1200 version either "no change" or "come back" if someone wanted to return to that portion. There is a footnote at the bottom that says "deferred maintenance amended out of bill come back". Evidently somewhere along the line, we did agree to come back. He knows now why he can never follow Senator Flakoll, Senator Flakoll is using the 900 version and Chairman Freborg is using the 1200 version.

Senator Flakoll said all of our amendments have to deal with the 900 version. Even though there was not necessarily an outcry for transportation, we brought it up because we all thought it was a good and important step to take.

The motion failed 3-3-0.

Senator Flakoll distributed amendment .0942. It has language related to removal of the census language and we no longer need it after July 1. It also adds the emergency clause. This relates to tuition apportionment. It also adds the emergency clause for the commission's work.

Senator Flakoll moved the .0942 amendment, seconded by Senator Taylor.

Representative Kelsch asked if it is already in the bill.

Senator Flakoll said he is working off the 900 version. Those changes were included in the 1200 version but because of the way the process works, we have to go back to the 900 version and accommodate those. It is a technical change essentially.

Representative Kelsch said now it is getting to be very confusing. Initially we went through the yellow and blue amendments and approved what the House had done or did not approve what the House had done. We already had these amendments included in the bill because we approved what the House had done regarding this section. That is why she is confused on the deferred maintenance. We said we would leave it and come back and visit it but we have never had a discussion regarding it other than the amendments. With this amendment, when we walked through the bill she noted we accepted that change from the house.

Senator Flakoll said we may have earlier but do we have a record of that? Is it firm?

Representative Kelsch said it doesn't matter to her if this is the way we are going to do it. But all the amendments need to be prepared that we said we are going along with. Full day kindergarten isn't in here, the special ed factors aren't in here. Do we have to do an amendment like this for every single section that the House did and this committee approved?

Chairman Freborg said he believes Representative Kelsch is right. We have approved all but 2 sections.

Representative Kelsch said right.

Senator Flakoll said if we have, that is no problem.

Representative Kelsch said the point is we need to know what amendments we actually need to have proposed.

Senator Flakoll said lets ask Anita Thomas.

Anita Thomas said this is a procedural issue and is Chairman Freborg's call as chairman.

Senator Flakoll said we both want the same thing. He withdrew his motion with approval from Senator Taylor. We don't want to rush things too much.

Representative Kelsch said it's not so much that. When we walked through the bill and approved the sections then not every section needs an amendment prepared by Anita. In the end she has to produce the hog house.

Chairman Freborg said he believes we went through every section for the third time and agreed that if we agreed on each this time, we would be through. When we dealt with the last 2 sections, we could pass the bill out. Representative Kelsch is right.

Senator Flakoll said the other context is this is the teacher comp section and he wasn't sure we approved that.

Representative Kelsch said we did not approve that but...

Chairman Freborg said we have two sections left to work on, minerals and tuition and teachers comp.

Senator Flakoll said teachers comp is where the House pulled this out. Are the .0942 amendments covered?

Representative Haas said on page 47 of the 1200 version in section 56 is where they put a repealer back in for those sections dealing with teacher comp.

Representative Kelsch said section 55 is the repeal.

Senator Flakoll said his question still stands, did we adopt the teacher comp?

Representative Haas and Representative Kelsch said no.

Senator Flakoll said then we have not adopted the .0942 amendments.

Representative Kelsch said we went through the changes the House had made and that was one of the changes the House had made and we approved that one.

Representative Haas said we accepted the census change but we did not accept the teacher comp change.

Representative Kelsch said right.

Representative Kelsch said the issue is do we need to go back and draft amendments for every single section we have already approved? If that is the case, Anita better get upstairs.

Senator Flakoll said we adopted part of this.

Representative Haas said yes.

Representative Haas said procedurally, those areas the conference committee has approved, the Senate has acceded to those areas. It is a partial concurrence. Until we have reached an agreement on all sections, it remains a partial concurrence. There is no need to introduce amendments on those sections we have concurred on.

Chairman Freborg said if Senator Flakoll wanted in the worst way to adopt the .0942 amendments he could have moved we reconsider our actions by which we approved the section and we would have it before us but he did not.

Representative Haas said exactly.

Chairman Freborg asked if Senator Taylor wants to wait on his amendment.

Senator Taylor said yes, until tomorrow morning.

None of the other committee members had anything further at this time.

Chairman Freborg adjourned the meeting of the conference committee until tomorrow at 9:00 AM.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☒ Check here for Conference Committee

Hearing Date: April 18, 2007

Recorder Job Number: 6117

Committee Clerk Signature

Minutes:

Chairman Freborg opened the meeting of the conference committee on SB 2200. All members were present.

Representative Mueller said he has a red envelope. He distributed amendment .0925. This amendment was discussed and narrowly defeated in House Education. He thought it was worthwhile to bring it to this committee. It features a $25,000 minimum for school districts not at that level. It is for both years of the biennium. If a school district was at $20,000 on the formula, this would give them a $5000 bump to $25,000. A school district would be excluded if they have less than 30 students ADM, if their general fund levy is less than 160 or if they have not received state funding in the past. He ran the calculation with two scenarios: one with the 100% imputed value (A attached) and one with the 75% imputed value (B attached).

Chairman Freborg asked if Representative Mueller would like to make a motion.

Representative Mueller said he could if that was the wish of the chair.

Chairman Freborg asked if the handouts were motions or were informational.

Representative Mueller said they are informational. His scribbles on the top sheets are the cost of this amendment, $1,033,585 at 75% of imputed value, $1,048,641 at 100% of imputed value.

Representative Haas asked if he has considered a funding source.

Representative Mueller said the funding source is not the contingency line. Per pupil payments could be reduced a few dollars so it could come out of the $82.5 million. He would entertain any variations the committee might offer.

Chairman Freborg said we have no motion but this issue is open for discussion.

Representative Mueller said it is an attempt to soften the blow for those school districts that receive not very much money out of the formula. He has addressed the issues of those school districts not levying enough taxes back home hence the 160 minimum, schools with under 30 students are not eligible since they should perhaps consider some other type of arrangement, if a school district has not been getting state aid there is a reason for it.

Senator Taylor asked if this additional payment would be subject to the 70% language for teacher compensation, would it be considered part of base.

Representative Mueller said he doesn't believe the base payment issue is a concern here because once the base is established, it is done. This would be based on the initial base payment. Whatever calculations we use to bring that up are going to be based on the base year. There is no provision to prohibit 70% for teacher compensation so however the language ends up reading in that regard would be the law of the land.

Senator Taylor said it could be used for something fond on his side of the table, deferred maintenance and HVAC equipment.

Representative Kelsch asked if we add the change from base year and the last column to come up with the $25,000.

Representative Mueller said correct.

Representative Kelsch asked the committee to look at Oberon on the first page, what is their general fund mill levy, is it 112?

Representative Mueller said yes.

Representative Kelsch said you have to levy 160 mills.

Representative Mueller said that is correct. If a school district in its general fund mill levy has not achieved 160, they do not qualify.

Representative Kelsch asked why Oberon is listed as receiving money. Also Apple Creek, Mapleton.

Representative Mueller said that is a good question and he does not have a good answer. He would ask Jerry Coleman to address it.

Chairman Freborg said Representative Mueller can get the information and we will take it up again. We can continue to discuss it.

Senator Taylor said that is just a matter of numbers on the spread sheet. At least we can identify those that fall out because we have the general fund levy on the spread sheet. If we passed the amendment as written, the 160 mill levy exclusion is in the amendment.

Senator Flakoll said the $25,000 if referenced to the equity district of Bismarck, they get about $316 per student the first year. In his quick calculations, we would have 38 districts in the state that would get more money per student than an equity district or would be eligible for more money per student than an equity district.

Representative Mueller said he has not done the calculation and it very well may be right but he would imagine the folks at Wimbledon-Courtenay would be real happy to change places with the people in Bismarck.

Chairman Freborg asked Jerry Coleman to answer the question.

Jerry Coleman said when he used the general fund levy, tuition and transportation were also included in there and on the printout on the right hand side is only the general fund. That is the reason. (Very hard to understand him) (Meter 15:00)

Representative Mueller said we can look at this at another time with corrected numbers. The concept is here, the numbers get to be important.

Representative Kelsch said in House Education we looked at this concept. Since then we have put an amendment on the bill to increase the minimum percentage a school district would receive. We did that to help minimize the impact to some of the smaller school districts. One of her concerns is if we continue to put band aids onto the new funding formula we compromise it and its true meaning. She wants to maintain the integrity of the formula as much as possible.

Senator Flakoll said he was looking through some of the imputation levels. One district that is right at qualifying has $191,000 behind each student. That worries him.

Representative Mueller said in any formula not everything is perfect and there are sometimes unintended consequences. If they are at 160 mills, they are making an effort.

Senator Taylor asked on year 2 of the 75% example, were the numbers run with the 4 ½ % minimum.

Representative Mueller said no.

Senator Flakoll asked if special education contracts or the new transportation dollars count towards the minimum.

Representative Mueller said that is back to the critical issue of baseline. If not included in the baseline, the answer is no.

Representative Haas said in example of Oberon, with their taxable value of $1,045,000 and they need an additional $15,000 to keep that $25,000 minimum. They could do that with 14 mills on their current taxable value. Their current mill rate in their general fund alone is 112 mills so that puts them up to 126 mills which does not seem unreasonable.

Chairman Freborg said perhaps we can study this and get more thorough information and hold onto this a while.

Representative Mueller said ok.

Senator Taylor said he has the amendment from a couple of days ago, amendment .0941. This is the mechanism to look at the schools with greater than the state average for declining enrollment. Sometimes the decline is a blip but it doesn't reduce costs much if a school district loses 5 – 6% of their student enrollment. The amendment would not take up all of the loss but would soften the blow.

Senator Taylor moved amendment .0941, seconded by Representative Mueller.

Senator Taylor said if you study the spread sheet, they must be a high school district with over 150 mill levy. He estimates this would be a cost of $640,000 in the first year. It is not an equity or non equity issue.

Senator Flakoll said we have been hearing a lot about the 10 year anniversary of the flood in Grand Forks. How would this play out with a similar catastrophic incident that could cause a loss of 1500 students?

Senator Taylor said that is a fair question. He doesn't know how they handled that situation as a school district, if they kept teachers. They had a lot of cost, some covered by insurance, some not. Maybe they would be in need of our help. If we look at the averages, we would not expect another incident but we cannot predict.

The motion failed 2-4-0.

Representative Kelsch asked about the yellow sheet distributed by Chairman Freborg. Are these clean up technical issues that need to be taken care of?

Chairman Freborg said Anita Thomas presented him with the list of things we should think about doing. Perhaps there will be more. He advised the committee not to lose the yellow sheet.

Chairman Freborg asked Representative Kelsch if she has been doing some work on the priority list for the contingency money.

Representative Kelsch said she has been putting together the list and thought we could pass it around. She can have it to him this afternoon.

Representative Haas asked if the list will include both bienniums.

Representative Kelsch said the 07-09 biennium contingency is included in 2200 so we would know that. If there is a need to reprioritize those, we can always have an amendment. The 05-07 contingency funds are in 2013 and we would need a priority list for that.

Chairman Freborg said there could be more dollars applied to the contingency before we are though. He does not expect it but it is possible.

Senator Flakoll said on the yellow sheet, there is a reference to 2030. He guesses that bill will be kicked out at the next conference committee so that will help us know what to do with this bill.

Chairman Freborg asked when the conference committee will meet next on 2030.

Senator Flakoll said he thought tomorrow morning.

No one else on the committee had anything else at this time.

Chairman Freborg adjourned the meeting of the conference committee until 9:00 AM.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☒ Check here for Conference Committee

Hearing Date: April 19, 2007

Recorder Job Number: 6145

Committee Clerk Signature

Minutes:

Chairman Freborg opened the meeting of the conference committee on SB 2200. All members were present.

Senator Flakoll distributed amendment .0944. It seems like a new amendment but hopefully there will be no problem with it. It comes from Jerry Coleman from Department of Public Instruction. As an example, in the summer migrant program, they should not be paid for one weighted unit because someone showed up for three days or five days, in very simple terms. He asked Jerry Coleman for an explanation.

Jerry Coleman said it deals with the add on weights. As it is now worded in the bill it says "students enrolled" in programs such as ELL and summer school. In his work with the commission, these things were always based on last year's ADM which is a full time equivalency but in the bill it says "students enrolled". The interpretation of that would be head count so that would mean a student in a summer school program would get a full foundation aid payment. He should have noticed it before. The language in the amendment would say full time equivalency.

Senator Taylor said on a migrant summer program which he does not have a lot of familiarity with, there would be a factor assigned to the portion that are in the summer program and they would get a partial weighting factor that would eventually equal a full time equivalent.

Jerry Coleman said there is a formula they use to translate the full time equivalencies. It is the same thing they have done in the past. Basically it is the number of hours that they are a member of that program. It runs through a formula. 120 hours is considered one full credit. 4 full credits is considered full time.

Senator Flakoll asked if it is a threshold or prorated? Is it all or none or prorated?

Jerry Coleman said in terms of a summer program they are there for about 30 days. They would take those hours of membership and translate it through a formula to be an equivalent of an average daily membership. A drivers ed program in a summer school is typically 42 hours and if he remembers correctly it is about a .087 ADM.

Senator Flakoll moved amendment .0944, seconded by Representative Haas.

The motion passed 6-0-0.

Chairman Freborg asked Representative Mueller if he was ready with his amendment.

Representative Mueller said yes, it is amendment .0925 that was discussed yesterday in the conference committee. It is the $25,000 minimum with some exclusions. He handed out printouts (A and B attached) that have been cleaned up and corrected since yesterday.

Representative Mueller moved amendment .0925, seconded by Senator Taylor.

Chairman Freborg allowed the committee some time to digest the handouts.

Representative Mueller said it does help some schools who are making significant effort at 160 mills. He visited about this concept with a couple of equity schools and by and large they thought it was not such a bad idea. It is not going to hurt those schools, at least in any

significant way and to get some of these schools through the next two years to another place in time when we are dealing with adequacy it makes some sense.

Senator Taylor said on the handout with the 75% imputed value, is the cost $341,000 the first year?

Representative Mueller said he asked Jerry Coleman to put the total cost of year one and year two at the top of the handouts. The total at 75% is $704,000 and at 100% $716,000 so the price tag came down a little from the print outs yesterday. The print outs yesterday did have transportation and the tuition levy which brought more than just a 160 mill levy alone. The one today is a general fund mill levy at 160 or more.

The motion failed 2-4-0.

Gloria Lokken, NDEA, introduced Marlene Schrock, North Dakota's 2007 teacher of the year. She teaches 1st grade at Bel Aire school. She has attended a meeting of all the teachers of the year and will attend a meeting in Washington DC next week where she will visit the White House and the National Teacher of the Year will be named.

Chairman Freborg welcomed Ms. Schrock to the conference committee.

No one on the committee had anything else except Representative Mueller expressed an interest in filling his drill with barley sometime soon.

Chairman Freborg said there are some amendments pending and adjourned the meeting of the conference committee until 2:00 this afternoon. (The 2:00 meeting was later cancelled.)

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: April 20, 2007

Recorder Job Number: 6183, 6218

Committee Clerk Signature

Minutes:

Chairman Freborg opened the meeting of the conference committee on SB 2200. All members were present.

Chairman Freborg said unless someone has something important we will adjourn until 2:00 PM. (The meeting was later changed to 3:30 PM)

Chairman Freborg reconvened the conference committee at 3:30 PM. All members were present.

Chairman Freborg said it will be a short half hour session since there is a floor session at 4:00. The conference committee will tentatively meet tomorrow (Saturday) from 9:00 – 10:30, 1:00 – 2:00 and 3:00 – 4:00. It is possible the 9:00 meeting could be changed to 10:00 or 11:00 if there are no conflicts.

Chairman Freborg distributed amendment .0947 relating to grants for reorganizations.

Senator Flakoll moved amendment .0947, seconded by Representative Kelsch.

Representative Mueller asked for clarification on the 360 number of students, is that from one school, from all the school districts in the reorganization?

Senator Flakoll said it is total students. The goal is to make a viable school district that will be viable for a number of years. There is the need for critical mass.

Representative Mueller asked if it was 360 total students.

Senator Flakoll said yes, 360 combined students in all the districts seeking to reorganize into one school district.

Representative Mueller said he likes the concept. However, we can create disincentives for very small schools. If their total number was 325, we would not help them.

Chairman Freborg said that would be true.

Representative Mueller said he is not so sure that is a good policy.

Representative Kelsch said it does not preclude anyone from reorganizing. If they had districts with 325 or 300 or 225 students, they could still reorganize if they were within the reorganization law, they just would not receive grant assistance. It may provide an incentive to pull more school districts together.

Senator Taylor asked about the source of funds.

Representative Haas said it is the line item for the per pupil payment. It would not detract from the per pupil payment because there would be dollars in the contingency.

Representative Kelsch said Representative Haas is correct. There will be at least $100,000 in contingency funds.

Senator Flakoll said the grants are for planning.

Senator Taylor said he would vote for the amendment even with the 360 student criteria but we do forget about the geography. In looking at three recent reorganizations, Mohall Lansford Sherwood was 310 students, Lewis and Clark was 358 students and TCU was 341 students and covers 1040 square miles. Sometimes schools are going to have to reorganize with less than 360 students and they are gong to get to such a wide geographic area that they can't bring in any more area. They can still do that but they would be without the benefit of a $25,000 planning grant.

Chairman Freborg asked Tom Decker how he arrived at 360.

Tom Decker said that number showed up in another bill.

Representative Haas said on page 8 of SB 2000 is the per pupil payment and it won't be affected at that level.

The motion passed 6-0-0.

Chairman Freborg said we will move the 9:00 meeting tomorrow to 11:00.

Chairman Freborg adjourned the meeting of the conference committee.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2200

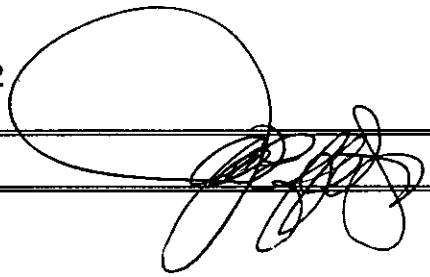
Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: April 21, 2007

Recorder Job Number: 6252

Committee Clerk Signature



Minutes:

Chairman Freborg opened the meeting of the conference committee. All members were present.

Representative Kelsch distributed amendment 70120.0948. She highlighted the changes in the amendments, off of the 1200 version:

- The old section 3 was removed, the section that was to be repealed in the JPA bill so we had to reconcile it with this bill.
- Section 6 has added language that Jerry Coleman talked about, to make it full time equivalent.
- Section 8 lays out the per student payment which will be $3250 the first year of the biennium and $3325 the second year of the biennium
- Section 10, subsection 2 a and b, in subsection a we have raised the minimum transition to 103.5% of the baseline the first year of the biennium and to 106% of the baseline the second year of the biennium.
- Section 11, we removed the 50% on the baseline of the contingency funds so all of the money from contingency funds goes onto the baseline

- Section 14, the equity payments, in subsection 2 a the first year of the biennium the equity payments will be 88.5%, the second year of the biennium they will be 90%
- On page 11 of the amendment, subsection 6 b, the imputed taxable valuation will be 60% the first year of the biennium and 70% the second year of the biennium.
- Section 21, the top of page 16 of the amendment, is what we talked about yesterday, it previously referred to subsections and we made it "subdivisions"

Representative Haas clarified that was only a language change.

Representative Kelsch said that's correct. She continued highlighting the amendments:

- Section 22 the did the same thing, instead of calling them subsections, they are now calling them subdivisions. Again, in subsection 2 is the same language regarding imputed taxable valuation which is the definition which is 60% the first year of the biennium and 70% the second year.
- Page 24 of the amendment, section 37 the language has been changed to Regional Education Association rather than JPA, it is a technical correction.
- Section 41, page 27 of the amendment, subsection 5 is the Taylor amendment regarding if a school district goes over the 2% of their budget on the special ed.
- Page 31, section 48 is the transportation grant, increasing the transportation. The House had increased it to 51.5 cents on city limits, we kept that. We increased it to 73.5 cents for rural areas.
- Section 49 is the $100,000 to be spent on district reorganization planning grants
- Section 50 has been the Flakoll amendment, now is part of the total education package, and this is deferred maintenance and it is at $5 million if by April 30, 2008 the state general fund is more than $30 million in excess of the amount predicted by OMB. If we

are projecting $35 million ending fund balance then it would potentially have to be $65 million and the first $5 million would go to deferred maintenance in the form of $10,000 to each school district and the remaining going out on ADM. They must submit the appropriate expenditure report to Department of Public Instruction to be reimbursed and they must have at least a general fund mill levy of 150 mills and there has to be an equal monetary match for any of the money received under this section.

- Section 55, the contingency money is laid out for the 07 – 09 biennium, the next biennium, not what is in 2013. This is $1 million to special education contract charges, $2 million for Regional Education Associations, $550,000 to ELL, $200,000 to adult education, the rest of the money to be distributed on a prorated basis based on ADM.
- The emergency clause is for sections regarding the commission doing its work, regarding the ending fund balance, regarding the census and the expiration date.
- All of the FTE moneys are included in the funding formula

Representative Kelsch said the amendments are the bill now because it is a hog house amendment. This is the meat of the bill.

Representative Kelsch moved the House recede from its amendments as printed on pages 1154 – 1183 of the Senate journal and pages 1195 – 1224 of the House journal and engrossed SB 2200 be amended with amendments 70120.0948, seconded by Representative Haas.

Representative Mueller asked for further elaboration on section 55.

Representative Kelsch said this is the monies that go out at the end of the 07 – 09 biennium. There are contingency monies in SB 2013 that go out based on the 05 – 07 biennium. These are the contingency money provisions that we standardly put into our bills at the end of the session when we put together a final funding bill. These are the priorities for the next biennium.

Representative Mueller asked if we have some idea of what the contingency monies will be for the upcoming baseline.

Representative Kelsch said at the end of the current biennium, it looks like it will be in the ball park of $5.8 million to $6.5 million.

Representative Mueller said when this is said and done, and he thinks it's a nice piece of work, what impact does it have on 2013? What else might they do that may impact what we are doing here?

Representative Kelsch said she will be putting together with Anita Thomas a priority list. There has been nothing additional added nor does she anticipate any additions to the contingency line.

Representative Mueller said he hopes she is right. He is not so sure she is.

Chairman Freborg said we don't control that bill and what Representative Kelsch said is right, we do not anticipate anything. There is not much more we can do.

Senator Flakoll said for the record he believes there has been a significant amount of misconception about the imputation and the oil and gas and minerals. There are some that have wrongly believed that a school district that receives some of those monies would, under the new formula, have to write a check to the state of North Dakota from their oil and gas extraction money. Unfortunately, that has been passed on to others and it seems to be one of those wrong interpretations that has been hard to correct. It is important to make note of that today. They will continue under this formula to keep all of their mineral wealth, oil, gas, coal. We have also in both committees received the ruling from the Supreme Court, dated January 24, 1994 and because we have been making some of our decisions knowing of the ruling he read a sentence. "The deduct also fails to treat coal conversion and severance taxes for oil and gas production and extraction taxes and telephone taxes all of which are in lieu of property

taxes as if they were part of the local tax base for equalization purposes. That failure results in further despair treatment and impact of the state's overall method of distributing funding for education." As committees in both chambers and this conference committee, we are aware of that and it's important that people know we have made our decision in light of the previous Supreme Court ruling.

Chairman Freborg said it is important.

Representative Kelsch said she would like to commend Senator Flakoll for reading that statement. She thinks some have been frustrated that we did not have this bill out a week ago. The best thing that has come out of this bill by us considering the issues longer was the fact we were able to do some things for some of the small schools that felt as though they were potentially not receiving as large of an increase as they would have liked. The amendments proposed today, by increasing those transition minimums for school districts is extremely beneficial. We all know change is hard and we knew when we went to an equity formula that change would be substantial and we were not going to be doing business as usual. She is extremely pleased that we did not compromise the formula but yet eased the transition and are doing more things for the small schools. We have to remember we added additional money to transportation, we increased the transition minimums. All in all, we did a very good job on this piece of legislation. It is a tribute to all of us coming together and working on it together. It is a good product and we can be proud of our work. Knowing we have stayed within what we promised we would do in terms of the lawsuit and did not change too much from the recommendations from the commission. We can feel pretty comfortable that the lawsuit will not move forward.

Representative Haas said he too would like to compliment the conference committee, the House, the Senate and particularly the commission for their work. Having been in education

for over 30 years and having served as a teacher, a business manager, a superintendent, this cannot be considered anything but a landmark piece of legislation. It actually makes him want to get back in the school business because it is a huge improvement. He also believes that into the future we will see further refinements of this that will be nothing but good, particularly as we get into the adequacy issue. It is a marvelous piece of work. It is a 180 degree departure from what we have had before. It is certainly going in the right direction. It is a good piece of work.

Representative Mueller said to add to the attaboys and attagirls, it is a good piece of work. He commends everyone involved in it, particularly the governor's commission. It is important as we look to the future and as we look to continued study of this issue, that the adequacy piece becomes a very major piece of what we do in the next legislative session. He will support the committee's recommendation at this point and on the House floor.

Representative Haas said he failed to make a point in regard to Senator Flakoll's comments. The least understood component of the formula is the imputation of mineral resources. He had many House members ask him what it really meant. He developed a one page sheet he has been handing out to his colleagues in the House and to school people and he would like to share it with the committee. He only has two copies and he asked the clerk to make copies for the other committee members.

Senator Taylor said the amendments show a lot of good compromise and moves it forward. The minimum transition, of course, for them to see a 6% in the second year, it is on a weighted student unit, they are going to have to have the exact same weighted student units they had year previous. If they want to see a 6% increase, they can't have lost any students.

Representative Kelsch said that is correct.

Representative Haas said those minimums and maximums are percentages on the per pupil payments, not total dollars.

Senator Flakoll said a number of things will not show up on the printout – we have increased the mileage reimbursement for transportation by 10%, the $2.6 million will not show up on anyone's printout; special education contracts which we increased by $2 million won't show up because we are not exactly sure who will get it, we have to see how it fleshes out as we move forward; Senator Taylor's amendment with the 2% language won't show up on any kind of printout; perhaps some of the ELL changes won't show up, we are in a transitional phase. Overall we are looking at 31% higher than a continuous 12 year period in the 1980's and 1990's. In North Dakota terms, it is mammoth.

Chairman Freborg thanked the committee for being patient, we have taken a little different approach to settling our differences on the education funding bill. It worked very well. There was a lot of compromise and we spent a very great amount of time ironing out some of the differences. He would like to thank Representative Kelsch. Senator Flakoll loaned us his expertise on several occasions and that was very helpful.

The motion passed 6-0-0.

Representative Haas and Representative Kelsch thanked Chairman Freborg for his leadership and for being so hospitable to the House.

Chairman Freborg adjourned the meeting of the conference committee.

Prepared by the Legislative Council staff for
Representative R. Kelsch
April 9, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 9, line 7, after "two" insert "and one-half"

Page 9, line 11, replace "three" with "four and one-half"

Renumber accordingly

Rep Kelsch 4/9/07 pm.

Date: 4/9/07
Roll Call Vote #: 1

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0924

Action Taken

Motion Made By Rep. Kelsch Seconded By Rep. Haas

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | ✓ | | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Date: 4/10/07
Roll Call Vote #: 2

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Move Amendment

Motion Made By Sen. Flakoll Seconded By Rep. Kelsch

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | ✓ | | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

line 28, page 46, overstrike 4, replace with 5 (on version 1200)

Carried

Prepared by the Legislative Council staff for
Representative R. Kelsch
April 10, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 14, remove lines 19 through 24

Page 14, line 25, replace "6." with "5."

Page 15, line 8, replace ". "Tuition revenue" does not include tuition" with ", except:

(1) That portion of any tuition revenue per student received by a school district under section 15.1-29-09 which exceeds the district's full cost of education per student as determined using the criteria provided in section 15.1-29-12; and

(2) Tuition"

Renumber accordingly

RK 4/10/07 3044

Date: 4/10/07
Roll Call Vote #: 3

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number • 0929

Action Taken Move Amendment

Motion Made By Rep. Kelsch Seconded By Rep. Haas

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | | ✓ | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 5 No 1

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Carried

(reconsidered 4/12/07 6-0)

70120.0930
Title.

Prepared by the Legislative Council staff for
Senator Taylor
April 11, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 36, replace lines 20 through 24 with:

"5. In addition to any other reimbursements provided under this section, if a district expends more than two percent of its annual budget for the provision of special education and related services to one student, the district shall notify the superintendent of public instruction. Upon verification, the superintendent shall reimburse the district for the difference between:

a. Two percent of the district's annual budget; and

b. The lesser of:

(1) The amount actually expended by the district for the provision of special education and related services to that student; or

(2) The amount representing four and one-half times the state average cost of education per student."

Renumber accordingly

Sen. Taylor 4/11/07

Date: 4/12/07
Roll Call Vote #: 4

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken amendment .0930

Motion Made By Sen. Taylor Seconded By Rep. Kelsch

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | ✓ | | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Carried

Prepared by the Legislative Council staff for
Representative R. Kelsch
April 12, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 42, after line 27, insert:

"**SECTION 46. AMENDMENT.** Section 28 of chapter 167 of the 2005 Session Laws is amended and reenacted as follows:

**SECTION 28. CONTINGENCY.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first $450,000, or so much of that amount as may be necessary, to provide additional payments to school districts serving English language learners in accordance with section 15.1-27-12.

2. The superintendent of public instruction shall use the next $1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.

3. The superintendent of public instruction shall use the next $600,000, or so much of that amount as may be necessary, to provide for increases over the established baselines in the minimum percentage of state aid payable to a district per weighted student unit during the 2007-09 biennium.

4. The superintendent of public instruction shall use the next $200,000, or so much of that amount as may be necessary, to pay for the services of professionals and experts with whom the commission on education improvement contracts, during the 2007-08 interim, for assistance with its study of educational adequacy.

5. The superintendent of public instruction shall use th e remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district."

Page 48, line 27, replace "Section" with Sections", after "46" insert "and 47", and replace "is" with "are"

Renumber accordingly

Date: 4/12/07
Roll Call Vote #: 5

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken amendment .0932

Motion Made By Rep. Kelsch Seconded By Rep. Haas

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | ✓ | | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Carried

Date: 4/12/07
Roll Call Vote #: 6

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO. 2200**

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken On 1200 version, page 9 strike lines 2-5 except "year" on line 2

Motion Made By Rep. Mueller Seconded By Sen Taylor

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | | ✓ | Representative Kelsch | ✓ | |
| Senator Flakoll | | ✓ | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 4 No 2

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

failed

Date: 4/12/07
Roll Call Vote #: 7

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Reconsider action whereby passed amend. 0929

Motion Made By Rep. Haas Seconded By Sen. Flakoll

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | ✓ | | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Carried

Prepared by the Legislative Council staff for
Representative R. Kelsch
April 13, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 1, line 16, after "membership" insert "; to provide for transportation grants"

Page 42, after line 27, insert:

"**SECTION 46. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. a. During the first year of the 2007-09 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:

   (1) Fifty-one and one-half cents per mile for schoolbuses having a capacity of ten or more passengers and transporting students within city limits;

   (2) Seventy-three and one-half cents per mile for schoolbuses having a capacity of ten or more passengers and transporting students in rural areas; and

   (3) Forty cents per mile for vehicles having a capacity of nine or fewer passengers and transporting students in rural areas.

   b. During the second year of the 2007-09 biennium, the superintendent of public instruction shall distribute to each school district the same amount the district received under this section for transportation services provided during the first year of the biennium.

2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of the transportation formula as it existed on June 30, 2001.

3. If any moneys provided for transportation payments in the grants - transportation line item in Senate Bill No. 2013, as approved by the sixtieth legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

4. Nothing in this section authorizes the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 47. AMENDMENT.** Section 28 of chapter 167 of the 2005 Session Laws is amended and reenacted as follows:



DV 4/13/07

**SECTION 28. CONTINGENCY.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first $450,000, or so much of that amount as may be necessary, to provide additional payments to school districts serving English language learners in accordance with section 15.1-27-12.

2. The superintendent of public instruction shall use the next $1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.

3. The superintendent of public instruction shall use the next $600,000 to provide for increases over the established baselines in the minimum percentage of state aid payable to a district per weighted student unit during the 2007-09 biennium and if any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute those funds as per student payments on a prorated basis according to the latest available average daily membership of each school district.

4. The superintendent of public instruction shall use the next $200,000 to pay for the services of professionals and experts with whom the commission on education improvement contracts during the 2007-08 interim for assistance with its study of educational adequacy and if any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute those funds as per student payments on a prorated basis according to the latest available average daily membership of each school district.

5. The superintendent of public instruction shall use the next $2,000,000 for the purpose of providing additional transportation grants to school districts as provided in section 46 of this Act and if any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute those funds as per student payments on a prorated basis according to the latest available average daily membership of each school district.

6. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available daily membership of each school district."

Page 48, line 27, replace "Section 46" with "Sections 47 and 48" and replace "is" with "are"

Renumber accordingly

Date: 4/13/07
Roll Call Vote #: 8

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken amendment .0935

Motion Made By Rep. Kelsch Seconded By Sen. Taylor

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | ✓ | | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Carried

Prepared by the Legislative Council staff for
Representative R. Kelsch
April 13, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 42, after line 27, insert:

"**SECTION 46. AMENDMENT.** Section 28 of chapter 167 of the 2005 Session Laws is amended and reenacted as follows:

**SECTION 28. CONTINGENCY.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first $450,000, or so much of that amount as may be necessary, to provide additional payments to school districts serving English language learners in accordance with section 15.1-27-12.

2. The superintendent of public instruction shall use the next $1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.

3. The superintendent of public instruction shall use the next $600,000, or so much of that amount as may be necessary, to provide for increases over the established baselines in the minimum percentage of state aid payable to a district per weighted student unit during the 2007-09 biennium.

4. The superintendent of public instruction shall use the next $200,000, or so much of that amount as may be necessary, to pay for the services of professionals and experts with whom the commission on education improvement contracts, during the 2007-08 interim, for assistance with its study of educational adequacy.

5. a. The superintendent of public instruction shall use the next $1,000,000, or so much of that amount as may be necessary, for the purpose of providing payments to school districts that are members of eligible educational associations, for the biennium beginning July 1, 2007, and ending June 30, 2009.

   b. Each year of the biennium, the superintendent of public instruction shall distribute fifty percent of the payments under this subsection to the eligible school districts on a per student basis. The superintendent shall make the distribution at the same time and in the same manner as other state aid payments under section 15.1-27-01.

   c. For purposes of this subsection, an "eligible educational association" is one that is governed by a joint powers agreement that the

superintendent of public instruction has reviewed and verified as meeting the requirements of section 15.1-07-28.

6. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district."

Page 48, line 8, replace "$1,000,000" with "$2,000,000"

Page 48, line 27, replace "Section" with "Sections", after "46" insert "and 47", and replace "is" with "are"

Renumber accordingly

Date: 4/13/07
Roll Call Vote #: 9

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken amendment .0934

Motion Made By Rep. Kelsch Seconded By Rep. Haas

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | ✓ | | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Carried

Prepared by the Legislative Council staff for
Senator Flakoll
April 16, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 47, line 2, replace "$10,000,000" with "$5,000,000"

Page 47, line 4, after "to" insert "eligible"

Page 47, line 11, after "each" insert "eligible"

Page 47, line 12, replace "Twenty" with "Ten"

Page 47, line 20, after "each" insert "eligible"

Page 47, line 21, replace "Twenty" with "Ten"

Page 47, after line 30, insert:

"5. For purposes of this section, an "eligible" school district is one that:

a. Has a general fund levy equal to at least one hundred fifty mills; and

b. Provides an equal monetary match for any amount received under this section."

Renumber accordingly

SF 4/17/07

Date: 4/17/07
Roll Call Vote #: 10

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken 0940

Motion Made By Sen. Flakoll Seconded By Sen Taylor

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | | ✓ |
| Senator Flakoll | ✓ | | Representative Haas | | ✓ |
| Senator Taylor | ✓ | | Representative Mueller | | ✓ |
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Total (Yes) 3 No 3

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

failed

Date: 4/17/07
Roll Call Vote #: 11

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken amendment .0940 except as below

Motion Made By Seconded By

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | | ✓ |
| Senator Flakoll | ✓ | | Representative Haas | | ✓ |
| Senator Taylor | ✓ | | Representative Mueller | | ✓ |
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Total (Yes) 3 No 3

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

failed

except matching money is on the first $10,000

70120.0942
Title.

Prepared by the Legislative Council staff for
Senator Flakoll
April 17, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 45, after line 19, insert:

"**SECTION 49. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed."

Page 45, line 20, remove "15.1-09-46,"

Page 48, line 27, replace "Section" with "Sections", after "46" insert "and 49", and replace "is" with "are"

Renumber accordingly

Date: 4/19/07
Roll Call Vote #: 12

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken amendment .0942

Motion Made By Sen. Flakoll Seconded By Sen. Taylor

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | | | Representative Kelsch | | |
| Senator Flakoll | | | Representative Haas | | |
| Senator Taylor | | | Representative Mueller | | |
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Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

withdrawn

70120.0941
Title.

Prepared by the Legislative Council staff for
Senator Taylor
April 17, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

Page 1, line 1, replace "seven" with "eight"

Page 19, after line 8, insert:

"**SECTION 20.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Declining enrollment - Financial assistance.**

1. At the conclusion of each school year, the superintendent of public instruction shall:

   a. Determine the percentage by which the state's average daily membership declined since the conclusion of the previous school year;

   b. Multiply each eligible district's average daily membership by the percentage determined under subdivision a;

   c. Determine the number of students by which each eligible district's average daily membership declined since the conclusion of the previous school year;

   d. Subtract the result determined under subdivision b from the number determined under subdivision c and multiply the result by one thousand dollars; and

   e. Forward the amount determined under subdivision d to the eligible district.

2. For purposes of this section, an "eligible district" is a high school district that has a general fund levy equal to at least one hundred fifty mills."

example:
2%
123 adm
x 2%
2.46
7 adm
7
- 2.46
4.54
x $1000
= $4540.00

Page 48, line 27, replace "46" with "47"

Renumber accordingly

Date: 4/18/07
Roll Call Vote #: 13

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO. 2200**

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken amendment .0941

Motion Made By Sen. Taylor Seconded By Rep. Mueller

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | | ✓ | Representative Kelsch | | ✓ |
| Senator Flakoll | | ✓ | Representative Haas | | ✓ |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 2 No 4

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

failed

**.1200 version**

SECTION 3
This section amends 15.1-07-28, which is to be repealed in the JPA bill (Eng. SB 2030). It needs to be reconciled with 2030.

SECTION 9
This section contains the per student payments for 2007-09. It needs to be verified.

SECTION 15
This section contains the definition of "imputed taxable valuation."
?????

SECTION 22
This section contains internal references to "subsections". It needs to reference "subdivisions". These changes are applicable to lines 10, 12, 19, and 21.

SECTION 23
This section contains references to "imputed taxable valuation." It needs to have a definition that matches the one used in SECTION 15.

SECTION 38
This section contains a reference to section 15.1-07-28, which is to be repealed in the JPA bill (Eng. SB 2030). It needs to be reconciled with 2030.

SECTION 56
This is the repeal section.
Teacher Compensation payments ?????

EMERGENCY CLAUSE
Should it be added and if so, which of the following should it address?
Section 28 - Applicability of ending fund balance provision to June 2007 contingent payments
Section 49 - Commission on Education Improvement
Section 55 - Repeal of the May census
Section 57 - Removal from the Code of Section 28

CONTINGENT PAYMENTS 2005-07
Are they to be included in 2200 or in 2013???

CF 4/18/07

70120.0944
Title.

Prepared by the Legislative Council staff

April 19, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 5, replace lines 5 through 25 with:

"a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;

b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;

c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

e. 0.25 the number of full-time equivalent students enrolled in an alternative high school;

f. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;

g. 0.25 the number of full-time equivalent students enrolled in an isolated high school;

h. 0.20 the number of of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;

i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;

j. 0.14 the number of full-time equivalent students enrolled in a new immigrant English language learner program;

k. 0.067 the number of students enrolled in average daily membership, in order to support the provision of special education services; and

l. 0.02 the number of full-time equivalent students, other than those provided for in subdivision j, who are enrolled in an English language learner program."

Renumber accordingly

Date: 4/19/07
Roll Call Vote #: 14

## 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
## BILL/RESOLUTION NO. 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken amendment .0944

Motion Made By Sen. Flakoll Seconded By Rep. Haas

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | ✓ | | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Prepared by the Legislative Council staff for
Representative Mueller
April 10, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 1, line 1, replace "seven" with "eight"

Page 1, line 17, after "appropriations" insert "; to provide an expiration date"

Page 23, after line 20, insert:

"**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental payment.**

1. Notwithstanding any other law, if the amount of state aid payable to a school district during the 2007-08 school year does not exceed the amount received by the district during the 2006-07 school year by at least twenty-five thousand dollars, the superintendent shall forward to the school district the amount necessary to ensure that the district receives an increase of twenty-five thousand dollars in state aid payments between the 2006-07 school year and the 2007-08 school year.

2. Notwithstanding any other law, if the amount of state aid payable to a school district during the 2008-09 school year does not exceed the amount received by the district during the 2006-07 school year by at least twenty-five thousand dollars, the superintendent shall forward to the school district the amount necessary to ensure that the district receives an increase of twenty-five thousand dollars in state aid payments between the 2006-07 school year and the 2008-09 school year.

3. The superintendent shall estimate the amount payable to each school district under this section and pay a proportionate amount at the same time and in the same manner as other state aid payments.

4. This section does not apply to any school district:

   a. That has fewer than thirty students in average daily membership;

   b. That has a general fund levy below one hundred sixty mills; or

   c. That is not entitled to receive any state aid as a result of having an ending fund balance in excess of that permitted by section 25."

Page 48, after line 26, insert:

"**SECTION 57. EXPIRATION DATE.** Section 26 of this Act is effective through June 30, 2009, and after that date is ineffective."

Page 48, line 27, replace "46" with "47"

Renumber accordingly

Date: 4/9/07
Roll Call Vote #: 15

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO. 2200**

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken amendment .0935

Motion Made By Rep. Mueller Seconded By Sen. Taylor

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | | ✓ | Representative Kelsch | | ✓ |
| Senator Flakoll | | ✓ | Representative Haas | | ✓ |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 2 No 4

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Jacobi

Prepared by the Legislative Council staff

April 20, 2007

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

Page 1, line 16, after "membership" insert "; to provide for reorganization planning grants"

Page 45, after line 19, insert:

"**SECTION 49. SCHOOL DISTRICT REORGANIZATION PLANNING GRANTS.** The superintendent of public instruction may expend up to $100,000 from the grants - state school aid line item in subdivision 1 of section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, for the purpose of providing planning grants to school districts participating in reorganizations under chapter 15.1-12, for the biennium beginning July 1, 2007, and ending June 30, 2009. A grant provided under this section may not exceed $25,000 and may not be awarded unless the student enrollment of the participating districts exceeds three hundred sixty. If a grant is provided and the recipient districts vote not to reorganize, the superintendent of public instruction shall withhold the grant amount that each district received under this section from any state aid payable to the district."

Renumber accordingly

CF 4/20/07

Date: 4/20/07
Roll Call Vote #: 16

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken amendment .0404

Motion Made By Sen. Flakoll Seconded By Rep. Kelsch

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | ✓ | | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Carried

70120.0948
Title.1300

Prepared by the Legislative Council staff for
Senator Freborg and Representative
R. Kelsch

April 21, 2007

4-21-07
1 of 36

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2200

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact ten new sections to chapter 15.1-27, a new section to chapter 15.1-36, and two new sections to chapter 15.1-38 of the North Dakota Century Code, relating to the determination of state aid to school districts; to amend and reenact section 15.1-02-09, subsection 4 of section 15.1-06-04, and sections 15.1-23-19, 15.1-27-01, 15.1-27-02, 15.1-27-04, 15.1-27-08, 15.1-27-09, 15.1-27-10, 15.1-27-11, 15.1-27-15, 15.1-27-16, 15.1-27-17, 15.1-27-18, 15.1-27-19, 15.1-27-20, 15.1-27-35, 15.1-28-03, 15.1-29-01, 15.1-29-02, 15.1-29-12, 15.1-29-14, 15.1-29-15, 15.1-31-03, 15.1-31-04, 15.1-31-07, 15.1-32-08, 15.1-32-14, 15.1-32-15, 15.1-32-16, 15.1-32-18, 15.1-33-02, 15.1-36-02, and 57-15-14 of the North Dakota Century Code, relating to the determination of state aid to school districts; to repeal sections 15.1-07-28, 15.1-09-46, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to educational associations, the school district census, the school district equalization factor, weighting factors, supplemental payments, additional per student payments, property valuations, and teacher compensation payments; to provide an appropriation; to provide for a commission on education improvement; to provide for teacher compensation increases; to provide for future determinations of average daily membership; to provide for the distribution of transportation grants, reorganization planning grants, and contingent payments; to provide for a contingent transfer; to provide for a report to the legislative council; to provide an expiration date; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-02-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-09. School district finance facts report - Contents.** The superintendent of public instruction shall submit an annual report on the financial condition of school districts to the governor, legislative council, and the secretary of state by the end of February. The secretary of state shall transmit the report to state archivist for official and public use. The report must include:

1. The number of school districts in the state.
2. The financial condition of each school district, including its receipts and expenditures.
3. The value of all property owned or controlled by each school district.
4. The cost of education in each school district.
5. The number of teachers employed by each school district and their salaries.
6. The number of students in average daily membership, in weighted average daily membership, and in average daily attendance, in each school district,

the grades in which ~~they~~ the students are enrolled, and, when applicable, the courses in which ~~they~~ the students are enrolled.

7. Information regarding the state's approved nonpublic schools.

8. Other statistical data on public education in the state.

**SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. ~~A~~ During the 2007-08 school year, a full day of instruction consists of:

   ~~a.~~ (1) At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

   ~~b.~~ (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

   b. Beginning with the 2008-09 school year, a full day of instruction consists of:

      (1) At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

      (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 3. AMENDMENT.** Section 15.1-23-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-23-19. Home education - State aid to school districts.** For purposes of allocating state aid to school districts, a child receiving home education is ~~deemed enrolled in the child's school district of residence if the child is monitored by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and employed by the public school district in which the child resides. A school district is entitled to fifty percent of the per student payment provided in section 15.1-27-04 times the appropriate factor in section 15.1-27-06 or 15.1-27-07 for each child receiving home education. If a child receiving home education is enrolled in public school classes, proportionate payments must be made. The total amount may not exceed the equivalent of one full per student payment times the appropriate weighting factor~~ included in a school district's determination of average daily membership only for those days or portions of days that the child attends a public school.

**SECTION 4. AMENDMENT.** Section 15.1-27-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-01. Payments to school districts - Distribution.**

1. The superintendent of public instruction shall ~~determine~~ estimate the total state payments ~~made to each~~ to which a school district ~~during the previous fiscal~~ is entitled each year.

2. The superintendent of public instruction shall pay each district ten percent of the amount determined under subsection 1, within the limits of legislative

appropriation, on or before August first and September first of each year. The superintendent shall pay each school district twenty percent of that amount, within the limits of legislative appropriation, on or before October first of each year.

3. The superintendent of public instruction shall ~~determine~~ estimate the amount that, in addition to the payments already made, is necessary to constitute the remainder of the amount due each district for the current school year.

4. On or before November first, the superintendent of public instruction shall pay to each district, within the limits of legislative appropriation, an amount that, in addition to the above payments, constitutes sixty percent of the sum due under this chapter.

5. On or before the first day of December, January, February, March, and April, payments equal to twenty percent of the total remaining payments must be made to each district.

6. If funds appropriated for distribution to districts as state aid become available after April first, the superintendent of public instruction shall distribute the newly available payments on or before June thirtieth.

**SECTION 5. AMENDMENT.** Section 15.1-27-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-02. Per student payments - Required reports.**

1. The superintendent of public instruction may not forward state aid payments to a school district beyond the October payment unless the district has filed the following with the superintendent:

   a. ~~An annual average daily~~ The June thirtieth student membership and attendance report~~.~~;

   b. An annual school district financial report~~.~~;

   c. The September tenth fall enrollment report~~.~~; and

   d. The personnel report forms for licensed and nonlicensed employees.

2. On or before December fifteenth, each school district shall file with the superintendent of public instruction the taxable valuation and mill levy certifications. If a district fails to file the taxable valuation and mill levy certifications by the required date, the superintendent of public instruction may not forward to the district any state aid payments to which the district is entitled, until the taxable valuation and mill levy certifications are filed.

**SECTION 6.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:

   a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;

b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;

c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

e. 0.25 the number of full-time equivalent students enrolled in an alternative high school;

f. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;

g. 0.25 the number of full-time equivalent students enrolled in an isolated high school;

h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;

i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;

j. 0.14 the number of full-time equivalent students enrolled in a new immigrant English language learner program;

k. 0.067 the number of students enrolled in average daily membership, in order to support the provision of special education services; and

l. 0.02 the number of full-time equivalent students, other than those provided for in subdivision j, who are enrolled in an English language learner program.

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 7.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**School district size weighting factor - Weighted student units.**

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:

a. 1.25 if the students in average daily membership number fewer than 185;

b. 1.24 if the students in average daily membership number at least 185 but fewer than 200;

c. 1.23 if the students in average daily membership number at least 200 but fewer than 215;

d. 1.22 if the students in average daily membership number at least 215 but fewer than 230;

e. 1.21 if the students in average daily membership number at least 230 but fewer than 245;

f. 1.20 if the students in average daily membership number at least 245 but fewer than 260;

g. 1.19 if the students in average daily membership number at least 260 but fewer than 270;

h. 1.18 if the students in average daily membership number at least 270 but fewer than 275;

i. 1.17 if the students in average daily membership number at least 275 but fewer than 280;

j. 1.16 if the students in average daily membership number at least 280 but fewer than 285;

k. 1.15 if the students in average daily membership number at least 285 but fewer than 290;

l. 1.14 if the students in average daily membership number at least 290 but fewer than 295;

m. 1.13 if the students in average daily membership number at least 295 but fewer than 300;

n. 1.12 if the students in average daily membership number at least 300 but fewer than 305;

o. 1.11 if the students in average daily membership number at least 305 but fewer than 310;

p. 1.10 if the students in average daily membership number at least 310 but fewer than 320;

q. 1.09 if the students in average daily membership number at least 320 but fewer than 335;

r. 1.08 if the students in average daily membership number at least 335 but fewer than 350;

s. 1.07 if the students in average daily membership number at least 350 but fewer than 360;

t. 1.06 if the students in average daily membership number at least 360 but fewer than 370;

u. 1.05 if the students in average daily membership number at least 370 but fewer than 380;

v. 1.04 if the students in average daily membership number at least 380 but fewer than 390;

w. 1.03 if the students in average daily membership number at least 390 but fewer than 400;

x. 1.02 if the students in average daily membership number at least 400 but fewer than 600;

y. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and

z. 1.00 if the students in average daily membership number at least 900.

2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:

a. 1.25 if the students in average daily membership number fewer than 125;

b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and

c. 1.00 if the students in average daily membership number at least 200.

3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.

4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

**SECTION 8. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is ~~two~~ three thousand ~~seven~~ two hundred ~~sixty-five~~ fifty dollars.

b. The per student payment rate to which each school district is entitled for the second year of the biennium is ~~two~~ three thousand ~~eight~~ three hundred ~~seventy-nine~~ twenty-five dollars. ~~The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.~~

2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 9.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Kindergarten payments - Determination.** Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count.

**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:

   a. Adding together all state aid received by the district during the 2006-07 school year;

   b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and

   c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.

2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2007-08 school year, is at least equal to one hundred three and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.

   b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2007-08 school year, is at least equal to one hundred six percent of the baseline funding per weighted student unit, as established in subsection 1.

3. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the 2007-08 school year, one hundred seven percent of the baseline funding per weighted student unit, as established in subsection 1.

   b. Beginning with the 2008-09 school year, the maximum percentage of allowable growth in the baseline funding per weighted student unit provided in subdivision a must be annually increased by three percentage points, plus the district's share of any increased state aid for that year. Payments received by districts for the provision of full-day kindergarten do not constitute increases in state aid for purposes of this subdivision.

**SECTION 11. AMENDMENT.** Section 15.1-27-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-08. Per student payments - Unaccredited high schools.**

1. If a high school becomes unaccredited, the superintendent of public instruction shall determine the per student payment to which the school district is entitled during the first year in which the high school is unaccredited ~~is the amount established in section 15.1-27-04. The school district is not entitled to the amount that results from applying the weighting factors provided in section 15.1-27-06. In each successive year, the per student payment to which the school district is entitled for each student in the unaccredited high school must be reduced by an additional two hundred dollars.~~ by:

   a. Applying the school district size weighting factor assigned under section 7 of this Act to all students in average daily membership in any

public school in the district other than the unaccredited high school; and

b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school.

2. If the high school remains unaccredited for a second year, the superintendent of public instruction shall determine the per student payment to which the school district is entitled by:

a. Applying the school district size weighting factor assigned under section 7 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school;

b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school; and

c. Reducing any payment to which the school district is entitled for each student in average daily membership in the unaccredited high school by two hundred dollars.

3. If the high school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall determine the per student payment to which the school district is entitled as provided in subsection 2, and the superintendent shall reduce the payment for each student as provided in subdivision c of subsection 2 by two hundred dollars each year.

4. If a the high school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 12. AMENDMENT.** Section 15.1-27-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-09. Per student payments - Unaccredited elementary schools.**

1. If an elementary school becomes unaccredited, the superintendent of public instruction may not reduce the per student payment to which the school district is entitled during the first year in which the school is unaccredited.

2. If a an elementary school ~~district operates an~~ remains unaccredited ~~elementary school, the per student payment to which the school district is entitled during the first year in which the elementary school is unaccredited is the amount established in section 15.1-27-04. The school district is entitled to the amount that results from applying the weighting factors provided in section 15.1-27-07. In each successive~~ for a second year, the superintendent of public instruction shall reduce the per student payment to which the school district is entitled for each student in average daily membership in the unaccredited elementary school ~~must be reduced~~ by ~~an additional~~ two hundred dollars.

3. If the elementary school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall reduce the payment for each student as provided in subsection 2 by two hundred dollars each year.

4. If ~~a~~ the elementary school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 13. AMENDMENT.** Section 15.1-27-10 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-10. Per student payments - Special education.**

1. ~~Except as provided in subsection 2, each biennium the superintendent of public instruction shall distribute moneys appropriated by the legislative assembly for per student special education payments to each school district in the state on the basis of students in average daily membership. The superintendent of public instruction shall forward the payments, as calculated under section 15.1-27-05, to eligible school districts in the same manner and at the same time that the superintendent distributes state aid payments. For purposes of this section, "special education" means the provision of special services to students who have special needs, including students who are gifted and talented. Expenditures under this section may not conflict with nonsupplanting and maintenance of effort provisions under the Individuals With Disabilities Education Act, 20 United States Code 1400 et seq.~~

~~2.~~ Upon the written request of a school district, the superintendent of public instruction may forward all or a portion of ~~the moneys~~ any per student special education payments to which ~~the~~ a school district is entitled ~~under this section~~ directly to the special education unit of which the school district is a member.

~~3.~~ 2. The superintendent of public instruction may withhold state special education funds due a school district if, in response to a complaint, the superintendent finds that the district is not providing a free appropriate public education to a student as required by law. Any withholding under this subsection may not exceed an amount equal to the cost of meeting the affected student's needs.

**SECTION 14. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. ~~High school districts - Supplemental~~ Equity payments.**

1. The superintendent of public instruction shall ~~calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:~~

   ~~a. The district's latest available net assessed and equalized taxable valuation of property; plus~~

   ~~b. All tuition payments and county revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.~~

~~2. The superintendent of public instruction shall verify that:~~

   ~~a. The quotient arrived at under subsection 1 is less than the latest available statewide average taxable valuation per student;~~

   ~~b. The district's educational expenditure per student is below the most recent available statewide average cost of education per student;~~

~~c. The district has a general fund levy of at least one hundred eighty mills; and~~

~~d. The district's unobligated general fund balance on the preceding June thirtieth is not in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.~~

~~3. If the superintendent of public instruction determines that the district meets all the requirements of subsection 2, the superintendent shall:~~

~~a. Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;~~

~~b. Multiply the result determined under subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;~~

~~c. Multiply the result determined under subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and~~

~~d. Multiply the result determined under subdivision c by a factor calculated by the superintendent of public instruction to result in the expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.~~

~~4. The result of the calculations under this section is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1-27.~~:

a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.

b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.

2. a. If a school district's imputed taxable valuation per student is less than eighty-eight and one-half percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:

(1) Determining the difference between eighty-eight and one-half percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and

(2) Multiplying that difference by the district's total average daily membership.

b. Beginning July 1, 2008, if a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:

(1) Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and

(2) Multiplying that difference by the district's total average daily membership.

3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:

a. The district's general fund mill levy; or

b. One hundred eighty-five mills.

4. a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund mill levy.

b. If a district's general fund levy is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund mill levy from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.

c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.

5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.

6. For purposes of this section:

a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.

b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing sixty percent of the district's mineral and tuition revenue by the district's general fund mill levy. Beginning July 1, 2008, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing seventy percent of the district's mineral and tuition revenue by the district's general fund mill levy.

c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.

d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 15. AMENDMENT.** Section 15.1-27-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-15. ~~Per student payments -~~ Isolated schools.**

1. a. ~~If an~~ An elementary school is isolated if it has fewer than fifty students in average daily membership and if fifteen percent or more of its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from their residences in order to attend another school~~, the weighting factor provided under section 15.1-27-07 must be increased by twenty-five percent. If the school has fewer than fifteen students, the payment received must be for fifteen students~~.

   b. For purposes of determining state aid, an elementary school that is isolated is presumed to have at least fifteen students in average daily membership.

2. a. ~~If a~~ A high school is isolated if it has fewer than thirty-five students in average daily membership and if fifteen percent or more of its students would have to travel beyond a ~~twenty-mile [32.2-kilometer]~~ fifteen-mile [24.1-kilometer] radius from their residences in order to attend another school~~, the weighting factor provided under section 15.1-27-06 must be increased by twenty-five percent. If the school has fewer than twenty students, the payment received must be for twenty students~~.

   b. For purposes of determining state aid, a high school that is isolated is presumed to have at least twenty students in average daily membership.

**SECTION 16. AMENDMENT.** Section 15.1-27-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-16. Per student payments - Cooperating districts.** If~~, on or after July 1, 1997,~~ any school district receiving payments under this chapter cooperates with another school district for the joint provision of educational services under a plan approved by the superintendent of public instruction, ~~each cooperating district is entitled~~ the superintendent of public instruction shall, notwithstanding the provisions of section 7 of this Act, create and assign a separate weighting factor that allows the cooperating districts to receive, for a period of four years, ~~at least the same per student payment for each high school and elementary student as the district received prior to initiation~~ a payment rate equivalent to that which each district would have received had the cooperative plan not taken effect. The superintendent of public instruction shall compute the separate weighting factor to four decimal places and that weighting factor is effective for the duration of the cooperative plan.

**SECTION 17. AMENDMENT.** Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.**

1. ~~If any school district receiving per student payments calculated under section 15.1-27-06 reorganized with another school district under chapter 15.1-12 before August 1, 1997, the school district resulting from the reorganization is entitled to receive the same per student payments for each high school student as each separate school district received for each high school student prior to the reorganization, for a period of four years.~~

~~2.~~ ~~If any school district receiving per student payments calculated under this chapter reorganizes with another school district under chapter 15.1-12 after July 31, 1997, the school district resulting from the reorganization is entitled~~ Notwithstanding the provisions of section 7 of this Act, the superintendent of public instruction shall create and assign a separate weighting factor to:

a. Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and

b. Any school district that reorganizes on or after July 1, 2007.

2. a. The separate weighting factor must allow the reorganized school district to receive ~~the same per student payments for each high school and elementary student as~~ a payment rate equivalent to that which each separate school district would have received ~~for each high school and elementary student prior to the reorganization, for a period of four years~~ had the reorganization not taken place.

b. The separate weighting factor must be computed to four decimal places.

c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.

3. ~~The weighting factor for each district will be adjusted proportionately over a period of two years, following the period of time provided in subsection 1 or 2, until the adjusted weighting factor equals the weighting factor for the combined enrollment resulting from the reorganization.~~ At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 7 of this Act.

~~4.~~ ~~Notwithstanding the provisions of any other law, no school district may receive less in per student payments for the first year of its reorganization than the total amount that the districts participating in the reorganization received in per student payments for the school year immediately preceding the reorganization. If less than a whole school district participated in a reorganization, the superintendent of public instruction shall prorate the payments to which the newly reorganized district is entitled under this subsection.~~

**SECTION 18. AMENDMENT.** Section 15.1-27-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-18. Per student payments - Eligibility ~~- Minimum amounts.~~**

1. In order to be counted for the purpose of calculating per student payments, as provided for by this chapter, a high school student must be enrolled in at

least four high school units. The units may include career and technical education courses offered in accordance with chapter 15-20.1 and courses that are approved by the superintendent of public instruction and offered by another high school district.

2. If a student is enrolled for graduation in a nonpublic school or if a student is taking fewer than four high school units and is enrolled in an approved alternative high school education program, the school district in which the student is enrolled is entitled to receive proportionate payments.

~~3. Each high school district must receive at least as much in total per student payments as it would have received if it had the highest number of students in the next lower weighting category.~~

**SECTION 19. AMENDMENT.** Section 15.1-27-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-19. Summer school courses and programs - ~~Proportionate payments~~ Payments to school districts.**

1. ~~Each school district that offers summer school courses at the high school level is entitled to receive proportionate payments provided each course offered~~ Before a weight may be assigned under section 6 of this Act for a student enrolled in a high school summer course, the superintendent of public instruction shall verify that the course satisfies requirements for graduation, comprises at least as many clock-hours as courses offered during the regular school term, and complies with rules adopted by the superintendent of public instruction.

2. ~~A school district that offers remedial~~ Before a weight may be assigned under section 6 of this Act for a student enrolled in an elementary summer ~~school programs at the elementary level is entitled to receive proportionate payments provided the programs comply~~ program, the superintendent of public instruction shall verify that the program complies with rules adopted by the superintendent of public instruction.

~~3. The superintendent of public instruction may adopt rules regarding proportionate payments for remedial summer school programs at the elementary level and summer school courses at the high school level.~~

~~4. Proportionate payments made under this section during a biennium for summer school courses or programs may not exceed one and one-half percent of the total amount appropriated by the legislative assembly for state aid payments during the biennium, or eight million dollars, whichever is less. No more than seventy-five percent of the amount made available under this subsection may be used to support summer school courses at the high school level and no more than twenty-five percent of the amount made available under this subsection may be used to support remedial summer school programs at the elementary level.~~

**SECTION 20. AMENDMENT.** Section 15.1-27-20 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-20. ~~Per student~~ State aid payments - Claim by school district - Appeal.**

1. ~~Upon the completion of student registration and in no event later than September tenth of each year, the business manager of a school district claiming payments from state funds under the provisions of this chapter shall file a claim in the form and manner prescribed by the superintendent~~

~~of public instruction. The business manager must provide the number of registered high school and elementary school students for whom payments are claimed and any other information requested by the superintendent of public instruction.~~

~~2. The superintendent of public instruction shall compute the per student payments on the basis of the previous year's average daily membership less the number of students attending school during the current school year in another district under the provisions of open enrollment or the current year's fall enrollment, whichever provides the greater total payment. The superintendent shall make adjustments in the subsequent year according to a comparison between the average daily membership for the year for which the adjusted payment is being made and the year preceding the year for which the adjusted payment is being made, whichever is greater, for grade levels that existed in both years. The greater of the two preceding years' average daily membership must be used in computing any adjustment in a district's per student aid payments.~~

~~3. School districts educating children of agricultural migratory workers and school districts offering approved summer courses during the months of June, July, and August are not restricted to payments for a one hundred eighty-day school term.~~

~~4. Upon termination of the school year, the business manager of each school district that has received payments from state funds under the provisions of this chapter shall file with the school board a verified statement of the name, residence, and membership of each student and the units of high school work taken by each enrolled student.~~

~~5. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction, in the form and manner prescribed by the superintendent, the students in average daily membership for the recently completed school year. The superintendent shall notify the school district of any student average daily membership that is disallowed.~~

~~6.~~ ~~A~~ Any school district claiming state aid payments under this chapter shall provide to the superintendent of public instruction, at the time and in the manner requested by the superintendent, all information necessary for the processing of the claim.

2. If the superintendent of public instruction denies a district's claim for state aid payments, in whole or in part, the district may appeal the determination of the superintendent by ~~submitting a written appeal to~~ filing a written notice with the superintendent ~~of public instruction on or before September fifteenth of the year in which the~~, within thirty days from the date on which the district received the original determination ~~is made~~. The superintendent of public instruction may modify the original determination if the evidence submitted by the district justifies a modification. Upon appeal, or ~~in a case when no~~ if a timely appeal is not made, the determination of the superintendent ~~of public instruction~~ is final.

**SECTION 21.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**General fund levy - Impact on state aid.**

1. If in the first year of the 2007-09 biennium the general fund levy of a school district is less than one hundred fifty mills, the superintendent of public instruction shall:

a. Determine the difference in mills between the district's general fund levy and one hundred fifty;

b. Multiply the difference in mills determined under subdivision a by the district's total taxable valuation; and

c. Subtract the dollar amount determined under subdivision b from the total amount of state aid to which the district is otherwise entitled.

2. If in the second year of the 2007-09 biennium and each year thereafter, the general fund levy of a school district is less than one hundred fifty-five mills, the superintendent of public instruction shall:

a. Determine the difference in mills between the district's general fund levy and one hundred fifty-five;

b. Multiply the difference in mills determined under subdivision a by the district's total taxable valuation; and

c. Subtract the dollar amount determined under subdivision b from the total amount of state aid to which the district is otherwise entitled.

**SECTION 22.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Taxable valuation - Impact on state aid.**

1. If a school district's imputed taxable valuation per student is greater than one hundred fifty percent of the state average imputed taxable valuation per student, the superintendent of public instruction shall:

a. Determine the difference between the district's imputed taxable valuation per student and one hundred fifty percent of the state average imputed taxable valuation per student;

b. Multiply the dollar amount determined under subdivision a by the district's average daily membership;

c. Multiply the dollar amount determined under subdivision b by one hundred eighty-five mills;

d. Multiply the dollar amount determined under subdivision c by a factor of 0.75; and

e. Subtract the dollar amount determined under subdivision d from the total amount of state aid to which the district is otherwise entitled.

2. For purposes of this section, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing the district's mineral and tuition revenue by sixty percent of the district's general fund mill levy. Beginning July 1, 2008, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing seventy percent of the district's mineral and tuition revenue by the district's general fund mill levy.

**SECTION 23. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35. Average daily membership - Calculation.**

1. Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given ~~classroom~~ grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given ~~classroom~~ grade, school, or school district is absent during a school calendar, and then dividing the sum by ~~one~~ the greater of:

   a. The school district's calendar; or

   b. One hundred eighty.

2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:

   ~~1.~~ a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;

   ~~2.~~ b. The two days set aside for professional development activities under section 15.1-06-04; and

   ~~3.~~ c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.

3. For purposes of calculating average daily membership:

   a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

   b. During the 2007-08 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 0.50. Beginning with the 2008-09 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

   c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

**SECTION 24.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Reduction in grade levels.** If a school district offers fewer grade levels than the district offered the previous school year, the superintendent of public instruction shall determine the district's average daily membership using only those grade levels that the district offers during the current school year.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Dissolved school districts.** For purposes of determining state aid, the superintendent of public instruction shall amend the average

daily membership of any school district that enrolls students who attended a dissolved school district during the school year prior to the dissolution.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance.** The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance - Exception.** Notwithstanding the provisions of section 26 of this Act, the superintendent of public instruction may not include any distribution provided for in the final subsection of section 28 of chapter 167 of the 2005 Session Laws, as amended in 2007 Senate Bill No. 2013 and approved by the sixtieth legislative assembly, in determining the unobligated general fund balance of a school district.

**SECTION 28. AMENDMENT.** Section 15.1-28-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-28-03. State tuition fund - Apportionment - Payment.** On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the state tuition fund. The superintendent shall ~~apportion the fund among the school districts of the state in proportion to the number of school-age children residing in each district, as shown by the latest enumeration provided for by law and pay the amount apportioned to each school district. The superintendent shall make the payments required by this section at the same time as the per student payments required~~ include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

**SECTION 29. AMENDMENT.** Section 15.1-29-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-01. Education of students in bordering states - Payment of tuition.**

1. ~~Students~~ A student may attend ~~a~~ school in a bordering state in accordance with section 15.1-29-02 ~~under the following circumstances~~ provided:

   a. (1) ~~A~~ The student ~~who~~ lives within forty miles [64.37 kilometers] of another state; or

      (2) The student lives in a county bordering on another state ~~may, with the~~; and

   b. The student has received approval ~~of~~ from the ~~school~~ board~~, attend a public school in a bordering state.~~

~~b. A student who has attended a school district in a bordering state since, and including, the 1990-91 school year must be permitted to continue attending school in the district in the bordering state.~~

~~c. A student whose sibling attended an out-of-state school during or before the 1990-91 school year must be permitted to attend school in the district the sibling attended in the bordering state~~ of the student's school district of residence.

2. If the school board of the district in which the student resides denies a request for a student's attendance in and payment of tuition to another state, the student's parent may appeal the decision to the three-member committee referenced in section 15.1-29-06.

   a. If the three-member committee determines that the student meets the terms of subdivision b or c of subsection 1, the student may attend school in the bordering state and the board of the student's school district of residence shall pay the tuition.

   b. If the three-member committee determines the student falls within the terms of subdivision a of subsection 1, then the three-member committee shall make its decision using the criteria specified in section 15.1-29-06.

   c. Notwithstanding the provisions of this section, if a student's school district of residence does not provide for the education of kindergarten students, the district may not pay tuition for a kindergarten student to attend school in a bordering state.

   d. Any decision by the three-member committee regarding the payment of tuition for high school, elementary, or kindergarten students may be appealed by the school board or by the student's parent to the state board of public school education. A decision by the state board is final.

3. ~~a. The superintendent of public instruction shall forward all state aid payments for a~~ A student attending an out-of-state school ~~to~~ under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.

   ~~b.~~ The student's district of residence may reduce any tuition payment it must make to an out-of-state school by an amount commensurate with the tuition costs the district would be entitled to receive as compensation for a student from the out-of-state district enrolled in its school.

4. Nothing in this section requires that a school district of residence provide student transportation or payments in lieu of transportation for students attending out-of-state schools.

**SECTION 30. AMENDMENT.** Section 15.1-29-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-02. Education of students in bordering states - Contract - Tuition.**

1. A school district may contract with a school district in a bordering state for the education of students. A contract between school districts must provide for the payment of tuition at an agreed-upon amount.

2. ~~For purposes of per student payments and tuition apportionment payments, a~~ A student who attends school in a bordering state under a contract provided for by this section is deemed to be in attendance in the student's school district of residence. The student's school district of residence is liable to the school district of the bordering state for payments as provided in the contract.

3. A school district in this state may not agree to accept ~~students~~ a student from a bordering state unless the tuition payable equals or exceeds the ~~per student payment plus the tuition apportionment payment~~ amount of state aid that the district would have received from this state for a student in the same grade if ~~its~~ that student had been attending school in the bordering state.

**SECTION 31. AMENDMENT.** Section 15.1-29-12 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-12. Tuition payments - Determination.**

1. Except as provided in section 15.1-29-13, a school district sending a student to another district for purposes of education shall pay the full cost of education incurred by the admitting district.

2. a. The admitting district shall determine the cost of education per student for its kindergarten, elementary, and high school students on the basis of its average daily membership and those expenditures permitted in determining the cost of education per student in section 15.1-27-03.

   b. To the cost of education per student, the admitting district shall add the latest available statewide average per student cost for extracurricular activities and the state average capital outlay per student. The state average capital outlay per student is determined by dividing the total of all school districts' annual expenditures for sinking and interest funds, tax receipts to the building funds, and general fund expenditures for capital outlay by the average daily membership of the state.

   c. The admitting district shall subtract the following from the amount arrived at under subdivision b:

      (1) The ~~weighted~~ per student payment ~~received by the admitting district, less the average amount per North Dakota resident student enrolled in the school district realized from the deductions applied under section 15.1-27-06~~ multiplied by the admitting district's school size weighting factor; and

      (2) Any credit for taxes paid to the admitting district by the student's parent.

   d. The amount remaining is the full cost of education incurred by the admitting district and the tuition amount payable for the individual student. This chapter does not affect the right of a school board to charge and collect tuition from students who are not residents of this state, in accordance with section 15.1-29-02.

**SECTION 32. AMENDMENT.** Section 15.1-29-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-14. Student placement for noneducational purposes - Residency determination - Payment of tuition and tutoring charges.**

1. a. Except as provided in subdivision b, for purposes of applying this chapter, a student's school district of residence is the district in which the student's custodial parent or legal guardian resides:

   (1) At the time that a state court, tribal court, juvenile supervisor, or the division of juvenile services issues an order requiring the student to stay for a prescribed period at a state-licensed foster home or at a state-licensed child care home or facility;

   (2) At the time a county or state social service agency places the student, with the consent of the student's parent or legal guardian, at a state-licensed foster home or at a state-licensed child care home or facility;

   (3) At the time the student is initially placed in a state-operated institution, even if the student is later placed at a state-licensed foster home or at a state-licensed child care home or facility; or

   (4) At the time the student is placed voluntarily, by a parent or legal guardian, in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1.

   b. A determination regarding the student's school district of residence made under subdivision a is valid until the September fifteenth following the determination. On that date and each September fifteenth thereafter, the placing agency or the entity funding the student's placement shall determine the district in which the student's custodial parent or legal guardian resides and shall notify the district that it is deemed to be the student's district of residence for purposes of this chapter. If, however, the student is placed in accordance with paragraph 4 of subdivision a and the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this subdivision.

2. The student's school district of residence is obligated to pay:

   a. All charges for tuition upon claim of the admitting district; and

   b. All charges for tutoring services upon claim of an admitting facility, provided that the tutoring services are delivered by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board.

3. The state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for state aid to schools if, on the September fifteenth after a student placement is made as provided for under subsection 1:

   a. The student's custodial parent or legal guardian establishes residency outside this state;

   b. A court orders a termination of parental rights with respect to the student's parents;

   c. The student no longer has a custodial parent; or

d. The superintendent of public instruction has determined that all reasonable efforts to locate a parent or legal guardian have been unsuccessful.

4. If the student is voluntarily admitted to a state-licensed child care home or facility, or to a state-operated institution, the student's parent or, if one has been appointed, the student's legal guardian may appeal a determination under section 15.1-29-05 regarding the payment of tuition by filing a petition with the county superintendent of schools. Within fifteen days of receiving the petition, the three-member committee established under section 15.1-29-06 shall consult with the boards of the affected school districts and with the student's parent or legal guardian and render a decision regarding responsibility for the payment of tuition charges.

5. If the student's district of residence does not pay the required tuition, the admitting district or facility shall notify the superintendent of public instruction. Upon verification that tuition payments and tutoring charges are due and unpaid, the superintendent shall withhold an amount equal to the unpaid tuition and tutoring charges from state aid otherwise payable to the student's school district of residence until the tuition and tutoring charges that are due ~~has~~ have been fully paid.

6. An amount equal to the state average per student elementary or high school cost, depending on the student's grade of enrollment, is payable to the admitting district or facility as part of the cost of educating the student for the school year. The payment may not exceed the actual per student cost incurred by the admitting district or facility. The remainder of the actual cost of educating the student not covered by other payments or credits must be paid by the state, within the limits of legislative appropriations, from funds appropriated for the payment of special education contract charges in the case of a student with disabilities or from state aid payments to schools in all other cases.

7. If a student with disabilities placed in accordance with this section reaches age eighteen and continues to receive special education and related services, the student's school district of residence is deemed to be the same as that of the student's custodial parent until the special education services are concluded. The obligations of the student's school district of residence as provided in subsection 2 and the obligations of the state as provided in subsection 3 are applicable to all students described in this subsection.

8. a. The placing agency or entity funding the student's placement shall provide written or electronic notice regarding an initial placement and all subsequent placements of a student to the superintendent of the student's school district of residence and to the superintendent of the admitting district:

(1) Within five working days after a placement is made under court order;

(2) Within five working days after an emergency placement is made; or

(3) At least ten working days prior to any other placement.

b. If, however, the student's parent or legal guardian voluntarily places the student in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01

and 50-11-00.1, and if the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this section.

c. The notice must include any information requested by the superintendent of public instruction for purposes of determining payment responsibility.

d. The placing agency shall afford the student's school district of residence reasonable opportunity to participate in permanency planning for the student.

9. Notwithstanding this section, educational services provided to a student by the youth correctional center are not subject to the payment of tuition and tutoring charges by either the student's school district of residence or the superintendent of public instruction.

10. For purposes of this section, "custodial parent" means the parent who has been awarded sole legal and physical custody of the student in a legal proceeding or, if there is currently no operative custody order, the parent with whom the student resides. If the student resides with both parents, then both are custodial parents.

**SECTION 33. AMENDMENT.** Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-15. Levy for tuition payments.** If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to subdivision c of subsection 1 of section 57-15-14.2.

**SECTION 34. AMENDMENT.** Section 15.1-31-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-03. Open enrollment - ~~Per student~~ State aid ~~- Tuition apportionment~~.**

1. Once a student is enrolled in an admitting district, the student must remain enrolled in the admitting district until:

   a. The student graduates;

   b. The student relocates to another district;

   c. The student's parent applies for enrollment in another school district; or

   d. The student's parent notifies the student's school district of residence that the student will attend school in the school district of residence the following year.

2. ~~Payment for per student aid must be made to the admitting district in accordance with chapter 15.1-27.~~

~~3. For purposes of tuition apportionment payments, a student whose application is approved under this section is considered a resident of the admitting district.~~

~~4.~~ Except as specifically provided in this chapter, chapter 15.1-29 does not apply to students involved in open enrollment.

**SECTION 35. AMENDMENT.** Section 15.1-31-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-04. Open enrollment - Students with disabilities - Additional costs.** If an application under this chapter is approved for a student with a disability, the board of the student's school district of residence shall pay to the admitting district the costs incurred by the admitting district in providing special education and related services to the student ~~up to a maximum each school year of two and one-half times the state average per student elementary or high school cost, depending on the student's enrollment level, plus twenty percent of all remaining costs. The superintendent of public instruction shall reimburse the admitting district eighty percent of the remainder of the cost of educating the student with disabilities within the limits of legislative appropriations for that purpose~~. The superintendent of public instruction shall reimburse the student's school district of residence for all excess costs, as defined in section 15.1-32-18.

**SECTION 36. AMENDMENT.** Section 15.1-31-07 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-07. Students not subject to this chapter.** If a student, as a result of a school district dissolution or reorganization, resides in a district other than the one the student chooses to attend at the time of the dissolution or reorganization, the student is not subject to this chapter and may attend school in the chosen school district. ~~Notwithstanding section 15.1-28-03, the superintendent of public instruction shall forward payments from the state tuition fund made on behalf of the student to the student's chosen school district. The student may not be considered a student in average daily membership in the student's school district of residence for purposes of section 15.1-31-02.~~

**SECTION 37. AMENDMENT.** Section 15.1-32-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-08. School districts - Provision of special education.** Each school district shall provide special education~~, singly or jointly with other districts,~~ and related services as a single district, as a member of a multidistrict special education unit in accordance with ~~this~~ chapter 15.1-33, or as a participating district in a regional education association under chapter 15.1-09.1. Each school district and entity providing special education shall cooperate with the director of special education and with the institutions of this state in the provision of special education.

**SECTION 38. AMENDMENT.** Section 15.1-32-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-14. Special education ~~per student payments~~ students - Contracts for placement.**

1. ~~If a student with disabilities receives special education services, the superintendent of public instruction shall forward any per student payments, payable on behalf of that student, directly to the school district in which the student receives such services.~~

~~2.~~ ~~If a student with disabilities attends a special education summer program required by the student's individualized education program or services plan and approved by the superintendent of public instruction, the superintendent of public instruction shall forward any additional prorated per student payments, payable on behalf of the student, directly to the school district in which the student receives such services.~~

~~3. If a student who is enrolled in a nonpublic school receives special education services in a public school, the superintendent of public instruction shall forward a proportionate per student payment to the school district in which the student receives the services.~~

~~4.~~ ~~a.~~ If in the opinion of an individualized education program team or a services plan team a student is unable to attend a public school in the special education unit to which the student's school district of residence belongs, the student's school district of residence shall contract with another public school that:

~~(1)~~ a. Does not belong to the same special education unit;

~~(2)~~ b. Is located in this state;

~~(3)~~ c. Is willing to admit the student; and

~~(4)~~ d. Is able to provide appropriate services to the student.

~~b.~~ 2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting school.

~~c.~~ 3. The contract must provide that the student's school district of residence ~~agrees to pay to the district in which the student receives services, as part of~~ is liable for the cost of educating the student ~~for the school year, an amount equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs. The amount paid may not exceed the actual per student cost incurred by the admitting school, less any per student payment received on behalf of the student under this section.~~

~~d. The liability of the student's school district of residence must be reduced proportionately if the student attends the admitting school for less than an entire school year.~~

~~e.~~ 4. Upon being notified by the district in which the student receives services that ~~tuition payments provided for by this section are due and unpaid~~ the student's school district of residence has not paid for services that were provided to the student, the superintendent of public instruction, after verification, shall withhold all state aid payments to which the student's school district of residence is entitled, until the ~~tuition due has been paid.~~

~~f. The superintendent of public instruction shall provide to the school district in which the student receives services, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits~~ required payments have been made.

**SECTION 39. AMENDMENT.** Section 15.1-32-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-15. Student with disabilities - Attendance at private institution or out-of-state public school.**

1. If in the opinion of an individualized education program team or an education services team a student is unable to attend a public school in the student's school district of residence because of a physical disability, a mental disability, or a learning disability, and if no public school in the state

will accept the student and provide the necessary services, the student's school district of residence shall contract with:

a. A private, accredited, nonsectarian, nonprofit institution that is located within or outside of this state and which has the proper facilities for the education of the student; or

b. A public school located outside of this state that has proper facilities for the education of the student.

2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting institution or school.

3. The contract must provide that the student's school district of residence ~~shall pay to the institution or school, as part of~~ is liable for the cost of educating the student~~, an amount for the school year equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs.~~

~~4. The amount paid may not exceed the actual per student cost incurred by the institution or school.~~

~~5. The superintendent of public instruction shall provide to the student's school district of residence, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits.~~

~~6. The school district of residence is entitled to the per student payment for a student who receives services under this section~~.

4. A student who receives services under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.

**SECTION 40. AMENDMENT.** Section 15.1-32-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-16. Transportation services ~~- State reimbursement~~.** If a student's individualized education program or services plan requires the provision of transportation services, the student's school district of residence shall provide the services by any reasonably prudent means, including a regularly scheduled schoolbus, public transit, commercial transportation, chartered or other contracted transportation, and transportation provided by the student's parent or other responsible party.

**SECTION 41. AMENDMENT.** Section 15.1-32-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-18. Cost - Liability of school district for special education.** ~~If the cost of providing special education and related services to a student with disabilities, as determined by the superintendent of public instruction, exceeds the reimbursement provided by the state, the student's school district of residence is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of two and one-half times the state average per student elementary cost of education or high school cost of education, depending on the student's level of enrollment, plus twenty percent of all remaining costs. The two and one-half times amount includes the amount that the school district is required to pay under section 15.1-32-14. The state is liable for eighty percent of the remaining cost of education and~~

~~related services for each such student with disabilities within the limits of legislative appropriations.~~

1. Each year the superintendent of public instruction shall identify the approximately one percent of special education students statewide who are not eligible for cost reimbursement under section 15.1-29-14 and who require the greatest school district expenditures in order to provide them with special education and related services. This percentage represents the number of students that would qualify for excess cost reimbursement beyond the multiplier that is established in subsection 3.

2. The excess costs of providing special education and related services to these students are the responsibility of the state and the superintendent of public instruction shall reimburse the school districts for any excess costs incurred in the provision of special education and related services to the identified students.

3. "Excess costs" are those that exceed four and one-half times the state average cost of education per student and which are incurred by the special education students identified in subsection 1.

4. All costs of providing special education and related services to those students identified in subsection 1, other than excess costs reimbursed by the state, are the responsibility of the student's school district of residence.

5. In addition to any other reimbursements provided under this section, if a school district expends more than two percent of its annual budget for the provision of special education and related services to one student, the district shall notify the superintendent of public instruction. Upon verification, the superintendent shall reimburse the district for the difference between:

   a. Two percent of the district's annual budget; and

   b. The lesser of:

      (1) The amount actually expended by the district for the provision of special education and related services to that student; or

      (2) The amount representing four and one-half times the state average cost of education per student.

**SECTION 42. AMENDMENT.** Section 15.1-33-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-33-02. Multidistrict special education units - School district participation.** A school district may join a multidistrict special education unit or together with other school districts form a multidistrict special education unit for purposes of planning and delivering special education and related services. ~~Each school district shall participate in a multidistrict special education unit or have on file with the superintendent of public instruction a plan for providing special education and related services as a single district.~~ If a school district wishes to join a multidistrict special education unit from which it has been excluded, the school district may petition the superintendent of public instruction. A school district may appeal a decision of the superintendent under this section to the state board of public school education.

**SECTION 43. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed ~~forty~~ fifty million dollars. The board may adopt policies and rules governing school construction loans.

2. In order to be eligible for a loan under this section, the board of a school district shall:

   a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;

   b. Obtain the approval of the superintendent of public instruction for ~~its~~ the construction project under section 15.1-36-01; and

   ~~b.~~ c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.

3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.

4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of eight million dollars or eighty percent of the actual project cost;

   b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

   c. A term of repayment that may extend up to twenty years.

5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of seven million dollars or seventy percent of the actual project cost;

   b. An interest rate buydown equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

   c. A term of repayment that may extend up to twenty years.

6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of two and one-half million dollars or thirty percent of the actual project cost;

   b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

c. A term of repayment that may extend up to twenty years.

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7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.

~~4.~~ 8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.

~~5.~~ 9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount~~. In determining the amount of a loan, the superintendent shall take into account the cost of the construction project and the fiscal capacity of the school district.~~

~~6. If the superintendent of public instruction approves the loan, the superintendent may determine the interest rate to be paid. The interest rate on a loan under this section may not exceed a rate of two percent below the net interest rate on comparable tax-exempt obligations as determined on the date the application is approved by the superintendent pursuant to section 15.1-36-01. The interest rate may not exceed six percent.~~

~~7. A school district may not receive a loan under this section unless the superintendent of public instruction determines that the district has an existing indebtedness equal to at least fifteen percent of its taxable valuation. In determining a school district's existing indebtedness, the superintendent shall include outstanding indebtedness authorized by an election under section 21-03-07 but not issued and indebtedness authorized to be paid with dedicated tax levies under subsection 7 of section 21-03-07 but not issued~~, the term of the loan, and the interest rate, in accordance with the requirements of this section.

~~8.~~ 10. The superintendent of public instruction may adopt rules governing school construction loans.

~~9.~~ 11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority ~~and further provided that the acquisition or activity is estimated to cost in excess of fifty thousand dollars~~.

**SECTION 44.** A new section to chapter 15.1-36 of the North Dakota Century Code is created and enacted as follows:

**School construction projects - Reorganized districts - Interest subsidy.**

1. If under chapter 15.1-12 two or more school districts prepare a reorganization plan, agree in that plan to pursue a construction project, and obtain the approval of the superintendent of public instruction in accordance with this chapter, the newly reorganized district is eligible to receive up to three hundred basis points of interest rate buydown on the lesser of:

   a. Thirteen million five hundred thousand dollars; or

   b. A percentage of the total project cost determined by:

(1) Allowing five percent for each school district that participated in the reorganization;

(2) Allowing five percent for each one hundred-square-mile [259-square-kilometer] increment that is added to the square miles [kilometers] of the geographically largest district participating in the reorganization;

(3) Allowing five percent for every ten students added to the enrollment of the district having the greatest number of enrolled students and participating in the reorganization; and

(4) Capping the allowable percentage at ninety percent of the total project cost.

2. In addition to the requirements of subsection 1, the percentage of cost subsidy determined under subdivision b of subsection 1 must equal at least twenty percent of the total project cost.

**SECTION 45.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**English language learner - Definition.** English language learner means a student who:

1. Is at least five years of age but has not reached the age of twenty-two;

2. Is enrolled in a school district in this state;

3. Has a primary language other than English or comes from an environment in which a language other than English significantly impacts the individual's level of English language proficiency; and

4. Has difficulty speaking, reading, writing, and understanding English, as evidenced by a language proficiency test approved by the superintendent of public instruction and aligned to the state English language proficiency standards and the state language proficiency test.

**SECTION 46.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**New immigrant English language learner - Definition.** A new immigrant English language learner is an English language learner who was not born in the United States and has not attended school in the United States for more than three school years or the monthly equivalent of three school years.

**SECTION 47. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. Tax levy limitations in school districts.** The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus eighteen percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:

a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.

b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.

2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.

~~3. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.~~

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the number of persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 48. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. a. During the first year of the 2007-09 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:

(1) Fifty-one and one-half cents per mile for schoolbuses having a capacity of ten or more passengers and transporting students within city limits;

(2) Seventy-three and one-half cents per mile for schoolbuses having a capacity of ten or more passengers and transporting students in rural areas; and

(3) Forty cents per mile for vehicles having a capacity of nine or fewer passengers and transporting students in rural areas.

b. During the second year of the 2007-09 biennium, the superintendent of public instruction shall distribute to each school district the same amount the district received under this section for transportation services provided during the first year of the biennium.

2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of the transportation formula as it existed on June 30, 2001.

3. If any moneys provided for transportation payments in the grants - transportation line item in Senate Bill No. 2013, as approved by the sixtieth legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

4. Nothing in this section authorizes the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 49. SCHOOL DISTRICT REORGANIZATION PLANNING GRANTS.** The superintendent of public instruction may expend up to $100,000 from the grants - state school aid line item in subdivision 1 of section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, for the purpose of providing planning grants to school districts participating in reorganizations under chapter 15.1-12, for the biennium beginning July 1, 2007, and ending June 30, 2009. A grant provided under this section may not exceed $25,000 and may not be awarded unless the student enrollment of the participating districts exceeds three hundred sixty. If a grant is provided and the recipient districts vote not to reorganize, the superintendent of public instruction shall withhold the grant amount that each district received under this section from any state aid payable to the district.

**SECTION 50. APPROPRIATION - SCHOOL DISTRICT - DEFERRED MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $5,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2007, and ending June 30, 2009.

2. If the office of management and budget determines by April 30, 2008, that the June 30, 2008, ending balance of the state general fund will be more than $30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2007 legislative session, the superintendent of public instruction shall forward to each eligible school district:

a. Ten thousand dollars; plus

b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.

3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2009, that the June 30, 2009, ending balance of the state general fund will be more than $30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2007 legislative session, the superintendent of public instruction shall forward to each eligible school district:

   a. Ten thousand dollars; plus

   b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.

4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2010:

   a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or

   b. Return the funds to the superintendent of public instructions for deposit in the general fund.

5. For purposes of this section, an "eligible school district" is a school district that:

   a. Has a general fund levy equal to at least one hundred fifty mills;

   b. Is not precluded from receiving state aid by the provisions of section 26 of this Act; and

   c. Provides an equal monetary match for any amount received under this section.

**SECTION 51. NORTH DAKOTA COMMISSION ON EDUCATION IMPROVEMENT - MEMBERSHIP - DUTIES - REPORT TO LEGISLATIVE COUNCIL - REIMBURSEMENT FOR EXPENSES.**

1. The North Dakota commission on education improvement consists of:

   a. (1) The governor or an individual designated by the governor, who shall serve as the chairman;

   (2) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than one thousand students in average daily membership;

   (3) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than two hundred twenty but fewer than one thousand students in average daily membership;

   (4) One individual, appointed by the governor, who is employed as the superintendent of a high school district having fewer than two hundred twenty students in average daily membership;

(5) One individual, appointed by the governor, who is employed as a school district business manager;

(6) The chairman of the senate education committee or the chairman's designee;

(7) The chairman of the house education committee or the chairman's designee;

(8) The senate minority leader or the leader's designee;

(9) One legislator appointed by the chairman of the legislative council; and

(10) The superintendent of public instruction or an assistant superintendent designated by the superintendent of public instruction; and

b. One nonvoting member representing the North Dakota council of educational leaders, one nonvoting member representing the North Dakota education association, and one nonvoting member representing the North Dakota school boards association.

2. The commission shall establish its own duties and rules of operation and procedure, including rules relating to appointments, terms of office, vacancies, quorums, and meetings, provided that the duties and the rules do not conflict with any provisions of this section.

3. The members of the commission are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials. The superintendent of public instruction shall use up to $40,000 from moneys appropriated in the grants - state school aid line item in section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, to provide the reimbursements.

4. The commission shall examine the current system of delivering and financing public elementary and secondary education and shall develop recommendations addressing educational adequacy, the equitable distribution of state education funds, the allocation of funding responsibility between federal, state, and local sources, and any other matters that could result in the improvement of elementary and secondary education in the state.

5. The commission shall provide periodic reports to the governor and to the legislative council.

**SECTION 52. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO LEGISLATIVE COUNCIL.**

1. During the 2007-09 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2007.

2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2007-09 biennium by:

a. Determining the total amount of state dollars received by each district during the 2005-07 biennium as per student payments, tuition apportionment payments, special education per student payments, and English language learner payments;

b. Determining the total amount of state dollars received by each district during the 2007-09 biennium as per student payments, provided that neither equity payments under section 15.1-27-11 nor contingency distributions are to be included in the total; and

c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.

3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.

4. a. The provisions of this section do not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with the provisions of subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.

b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.

c. The superintendent of public instruction shall report all notices received under this subsection to an interim committee designated by the legislative council.

**SECTION 53. MILITARY INSTALLATION SCHOOL DISTRICTS - ELIGIBILITY FOR STATE AID AND EQUITY PAYMENTS.** If at any time the board of a United States military installation school district assumes responsibility for the direct provision of education to its students, the superintendent of public instruction shall include all students being educated by the board in the district's average daily membership, both for purposes of determining any state aid to which the district is entitled and for purposes of determining any equity payments to which the district is entitled under section 15.1-27-11.

**SECTION 54. AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS - COST-SHARE INCENTIVES.**

1. The state board for career and technical education shall use $1,200,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to award grants for the purpose of assisting with the establishment of at least two new area career and technology centers in areas of the state that, as of July 1, 2007, are not served by an existing center. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a number of students who will be served and to alignment of the proposed area career and technology center with existing educational associations governed by joint powers agreements.

2. The state board for career and technical education shall use $800,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to increase cost-share incentives for area career and technology centers.

**SECTION 55. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent shall:

1. Use the first $1,000,000, or so much of that amount as may be necessary, to pay any state obligations in excess of the amount appropriated for special education contract charges;

2. Use the next $2,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school districts participating in regional education associations under chapter 15.1-09.1;

3. Use the next $550,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts serving English language learners and new immigrant English language learners, in accordance with chapter 15.1-38;

4. Use the next $200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2007-09 biennium; and

5. Use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 56. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-first legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 57. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed.

**SECTION 58. REPEAL.** Sections 15.1-07-28, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code are repealed.

**SECTION 59. EXPIRATION DATE.** Section 27 of this Act is effective through June 30, 2007, and after that date is ineffective.

**SECTION 60. EMERGENCY.** Sections 27, 51, 57, and 59 of this Act are declared to be an emergency measure."

Renumber accordingly

Date: 4/21/07
Roll Call Vote #: 17

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 2200

Senate Conference Committee 2200 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Amendment 70120.0948

Motion Made By Rep. Kelsch Seconded By Rep Haas

| Senators | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| Senator Freborg | ✓ | | Representative Kelsch | ✓ | |
| Senator Flakoll | ✓ | | Representative Haas | ✓ | |
| Senator Taylor | ✓ | | Representative Mueller | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

## REPORT OF CONFERENCE COMMITTEE

**SB 2200, as engrossed:** Your conference committee (Sens. Freborg, Flakoll, Taylor and Reps. R. Kelsch, Haas, Mueller) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1154-1183, adopt amendments as follows, and place SB 2200 on the Seventh order:

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact ten new sections to chapter 15.1-27, a new section to chapter 15.1-36, and two new sections to chapter 15.1-38 of the North Dakota Century Code, relating to the determination of state aid to school districts; to amend and reenact section 15.1-02-09, subsection 4 of section 15.1-06-04, and sections 15.1-23-19, 15.1-27-01, 15.1-27-02, 15.1-27-04, 15.1-27-08, 15.1-27-09, 15.1-27-10, 15.1-27-11, 15.1-27-15, 15.1-27-16, 15.1-27-17, 15.1-27-18, 15.1-27-19, 15.1-27-20, 15.1-27-35, 15.1-28-03, 15.1-29-01, 15.1-29-02, 15.1-29-12, 15.1-29-14, 15.1-29-15, 15.1-31-03, 15.1-31-04, 15.1-31-07, 15.1-32-08, 15.1-32-14, 15.1-32-15, 15.1-32-16, 15.1-32-18, 15.1-33-02, 15.1-36-02, and 57-15-14 of the North Dakota Century Code, relating to the determination of state aid to school districts; to repeal sections 15.1-07-28, 15.1-09-46, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to educational associations, the school district census, the school district equalization factor, weighting factors, supplemental payments, additional per student payments, property valuations, and teacher compensation payments; to provide an appropriation; to provide for a commission on education improvement; to provide for teacher compensation increases; to provide for future determinations of average daily membership; to provide for the distribution of transportation grants, reorganization planning grants, and contingent payments; to provide for a contingent transfer; to provide for a report to the legislative council; to provide an expiration date; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-02-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-09. School district finance facts report - Contents.** The superintendent of public instruction shall submit an annual report on the financial condition of school districts to the governor, legislative council, and the secretary of state by the end of February. The secretary of state shall transmit the report to state archivist for official and public use. The report must include:

1. The number of school districts in the state.
2. The financial condition of each school district, including its receipts and expenditures.
3. The value of all property owned or controlled by each school district.
4. The cost of education in each school district.
5. The number of teachers employed by each school district and their salaries.

6. The number of students in average daily membership, in weighted average daily membership, and in average daily attendance, in each school district, the grades in which ~~they~~ the students are enrolled, and, when applicable, the courses in which ~~they~~ the students are enrolled.

7. Information regarding the state's approved nonpublic schools.

8. Other statistical data on public education in the state.

**SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. ~~A~~ During the 2007-08 school year, a full day of instruction consists of:

   ~~a.~~ (1) At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

   ~~b.~~ (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

   b. Beginning with the 2008-09 school year, a full day of instruction consists of:

      (1) At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

      (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 3. AMENDMENT.** Section 15.1-23-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-23-19. Home education - State aid to school districts.** For purposes of allocating state aid to school districts, a child receiving home education is ~~deemed enrolled in the child's school district of residence if the child is monitored by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and employed by the public school district in which the child resides. A school district is entitled to fifty percent of the per student payment provided in section 15.1-27-04 times the appropriate factor in section 15.1-27-06 or 15.1-27-07 for each child receiving home education. If a child receiving home education is enrolled in public school classes, proportionate payments must be made. The total amount may not exceed the equivalent of one full per student payment times the appropriate weighting factor~~ included in a school district's determination of average daily membership only for those days or portions of days that the child attends a public school.

**SECTION 4. AMENDMENT.** Section 15.1-27-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-01. Payments to school districts - Distribution.**

1. The superintendent of public instruction shall ~~determine~~ estimate the total state payments ~~made to each~~ to which a school district ~~during the previous fiscal~~ is entitled each year.

2. The superintendent of public instruction shall pay each district ten percent of the amount determined under subsection 1, within the limits of legislative appropriation, on or before August first and September first of each year. The superintendent shall pay each school district twenty percent of that amount, within the limits of legislative appropriation, on or before October first of each year.

3. The superintendent of public instruction shall ~~determine~~ estimate the amount that, in addition to the payments already made, is necessary to constitute the remainder of the amount due each district for the current school year.

4. On or before November first, the superintendent of public instruction shall pay to each district, within the limits of legislative appropriation, an amount that, in addition to the above payments, constitutes sixty percent of the sum due under this chapter.

5. On or before the first day of December, January, February, March, and April, payments equal to twenty percent of the total remaining payments must be made to each district.

6. If funds appropriated for distribution to districts as state aid become available after April first, the superintendent of public instruction shall distribute the newly available payments on or before June thirtieth.

**SECTION 5. AMENDMENT.** Section 15.1-27-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-02. Per student payments - Required reports.**

1. The superintendent of public instruction may not forward state aid payments to a school district beyond the October payment unless the district has filed the following with the superintendent:

   a. ~~An annual average daily~~ The June thirtieth student membership and attendance report~~.~~;

   b. An annual school district financial report~~.~~;

   c. The September tenth fall enrollment report~~.~~; and

   d. The personnel report forms for licensed and nonlicensed employees.

2. On or before December fifteenth, each school district shall file with the superintendent of public instruction the taxable valuation and mill levy certifications. If a district fails to file the taxable valuation and mill levy certifications by the required date, the superintendent of public instruction may not forward to the district any state aid payments to which the district is entitled, until the taxable valuation and mill levy certifications are filed.

**SECTION 6.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:

   a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;

   b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;

   c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

   d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

   e. 0.25 the number of full-time equivalent students enrolled in an alternative high school;

   f. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;

   g. 0.25 the number of full-time equivalent students enrolled in an isolated high school;

   h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;

   i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;

   j. 0.14 the number of full-time equivalent students enrolled in a new immigrant English language learner program;

   k. 0.067 the number of students enrolled in average daily membership, in order to support the provision of special education services; and

   l. 0.02 the number of full-time equivalent students, other than those provided for in subdivision j, who are enrolled in an English language learner program.

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 7.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**School district size weighting factor - Weighted student units.**

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:

a. 1.25 if the students in average daily membership number fewer than 185;

b. 1.24 if the students in average daily membership number at least 185 but fewer than 200;

c. 1.23 if the students in average daily membership number at least 200 but fewer than 215;

d. 1.22 if the students in average daily membership number at least 215 but fewer than 230;

e. 1.21 if the students in average daily membership number at least 230 but fewer than 245;

f. 1.20 if the students in average daily membership number at least 245 but fewer than 260;

g. 1.19 if the students in average daily membership number at least 260 but fewer than 270;

h. 1.18 if the students in average daily membership number at least 270 but fewer than 275;

i. 1.17 if the students in average daily membership number at least 275 but fewer than 280;

j. 1.16 if the students in average daily membership number at least 280 but fewer than 285;

k. 1.15 if the students in average daily membership number at least 285 but fewer than 290;

l. 1.14 if the students in average daily membership number at least 290 but fewer than 295;

m. 1.13 if the students in average daily membership number at least 295 but fewer than 300;

n. 1.12 if the students in average daily membership number at least 300 but fewer than 305;

o. 1.11 if the students in average daily membership number at least 305 but fewer than 310;

p. 1.10 if the students in average daily membership number at least 310 but fewer than 320;

q. 1.09 if the students in average daily membership number at least 320 but fewer than 335;

r. 1.08 if the students in average daily membership number at least 335 but fewer than 350;

s. 1.07 if the students in average daily membership number at least 350 but fewer than 360;

t. 1.06 if the students in average daily membership number at least 360 but fewer than 370;

u. 1.05 if the students in average daily membership number at least 370 but fewer than 380;

v. 1.04 if the students in average daily membership number at least 380 but fewer than 390;

w. 1.03 if the students in average daily membership number at least 390 but fewer than 400;

x. 1.02 if the students in average daily membership number at least 400 but fewer than 600;

y. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and

z. 1.00 if the students in average daily membership number at least 900.

2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:

a. 1.25 if the students in average daily membership number fewer than 125;

b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and

c. 1.00 if the students in average daily membership number at least 200.

3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.

4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

**SECTION 8. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is ~~two~~ three thousand ~~seven~~ two hundred ~~sixty-five~~ fifty dollars.

b. The per student payment rate to which each school district is entitled for the second year of the biennium is ~~two~~ three thousand ~~eight~~ three hundred ~~seventy-nine~~ twenty-five dollars. ~~The per student amount is~~

~~the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.~~

2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 9.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Kindergarten payments - Determination.** Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count.

**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:

   a. Adding together all state aid received by the district during the 2006-07 school year;

   b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and

   c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.

2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2007-08 school year, is at least equal to one hundred three and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.

   b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2007-08 school year, is at least equal to one hundred six percent of the baseline funding per weighted student unit, as established in subsection 1.

3. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the 2007-08 school year, one hundred seven percent of the baseline funding per weighted student unit, as established in subsection 1.

b. Beginning with the 2008-09 school year, the maximum percentage of allowable growth in the baseline funding per weighted student unit provided in subdivision a must be annually increased by three percentage points, plus the district's share of any increased state aid for that year. Payments received by districts for the provision of full-day kindergarten do not constitute increases in state aid for purposes of this subdivision.

**SECTION 11. AMENDMENT.** Section 15.1-27-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-08. Per student payments - Unaccredited high schools.**

1. If a high school becomes unaccredited, the superintendent of public instruction shall determine the per student payment to which the school district is entitled during the first year in which the high school is unaccredited ~~is the amount established in section 15.1-27-04. The school district is not entitled to the amount that results from applying the weighting factors provided in section 15.1-27-06. In each successive year, the per student payment to which the school district is entitled for each student in the unaccredited high school must be reduced by an additional two hundred dollars.~~ by:

   a. Applying the school district size weighting factor assigned under section 7 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school; and

   b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school.

2. If the high school remains unaccredited for a second year, the superintendent of public instruction shall determine the per student payment to which the school district is entitled by:

   a. Applying the school district size weighting factor assigned under section 7 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school;

   b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school; and

   c. Reducing any payment to which the school district is entitled for each student in average daily membership in the unaccredited high school by two hundred dollars.

3. If the high school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall determine the per student payment to which the school district is entitled as provided in subsection 2, and the superintendent shall reduce the payment for each student as provided in subdivision c of subsection 2 by two hundred dollars each year.

4. If ~~a~~ the high school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 12. AMENDMENT.** Section 15.1-27-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-09. Per student payments - Unaccredited elementary schools.**

1. If an elementary school becomes unaccredited, the superintendent of public instruction may not reduce the per student payment to which the school district is entitled during the first year in which the school is unaccredited.

2. If ~~a~~ an elementary school ~~district operates an~~ remains unaccredited ~~elementary school, the per student payment to which the school district is entitled during the first year in which the elementary school is unaccredited is the amount established in section 15.1-27-04. The school district is entitled to the amount that results from applying the weighting factors provided in section 15.1-27-07. In each successive~~ for a second year, the superintendent of public instruction shall reduce the per student payment to which the school district is entitled for each student in average daily membership in the unaccredited elementary school ~~must be reduced~~ by ~~an additional~~ two hundred dollars.

3. If the elementary school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall reduce the payment for each student as provided in subsection 2 by two hundred dollars each year.

4. If ~~a~~ the elementary school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 13. AMENDMENT.** Section 15.1-27-10 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-10. Per student payments - Special education.**

1. ~~Except as provided in subsection 2, each biennium the superintendent of public instruction shall distribute moneys appropriated by the legislative assembly for per student special education payments to each school district in the state on the basis of students in average daily membership. The superintendent of public instruction shall forward the payments, as calculated under section 15.1-27-05, to eligible school districts in the same manner and at the same time that the superintendent distributes state aid payments. For purposes of this section, "special education" means the provision of special services to students who have special needs, including students who are gifted and talented. Expenditures under this section may not conflict with nonsupplanting and maintenance of effort provisions under the Individuals With Disabilities Education Act, 20 United States Code 1400 et seq.~~

~~2.~~ Upon the written request of a school district, the superintendent of public instruction may forward all or a portion of ~~the moneys~~ any per student special education payments to which ~~the~~ a school district is entitled ~~under this section~~ directly to the special education unit of which the school district is a member.

~~3.~~ 2. The superintendent of public instruction may withhold state special education funds due a school district if, in response to a complaint, the superintendent finds that the district is not providing a free appropriate public education to a student as required by law. Any withholding under this subsection may not exceed an amount equal to the cost of meeting the affected student's needs.

**SECTION 14. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. ~~High school districts - Supplemental~~ Equity payments.**

1. The superintendent of public instruction shall ~~calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:~~

   ~~a. The district's latest available net assessed and equalized taxable valuation of property; plus~~

   ~~b. All tuition payments and county revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.~~

~~2. The superintendent of public instruction shall verify that:~~

   ~~a. The quotient arrived at under subsection 1 is less than the latest available statewide average taxable valuation per student;~~

   ~~b. The district's educational expenditure per student is below the most recent available statewide average cost of education per student;~~

   ~~c. The district has a general fund levy of at least one hundred eighty mills; and~~

   ~~d. The district's unobligated general fund balance on the preceding June thirtieth is not in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.~~

~~3. If the superintendent of public instruction determines that the district meets all the requirements of subsection 2, the superintendent shall:~~

   ~~a. Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;~~

   ~~b. Multiply the result determined under subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;~~

   ~~c. Multiply the result determined under subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and~~

   ~~d. Multiply the result determined under subdivision c by a factor calculated by the superintendent of public instruction to result in the~~

~~expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.~~

~~4. The result of the calculations under this section is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1-27.~~:

a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.

b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.

2. a. If a school district's imputed taxable valuation per student is less than eighty-eight and one-half percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:

(1) Determining the difference between eighty-eight and one-half percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and

(2) Multiplying that difference by the district's total average daily membership.

b. Beginning July 1, 2008, if a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:

(1) Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and

(2) Multiplying that difference by the district's total average daily membership.

3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:

a. The district's general fund mill levy; or

b. One hundred eighty-five mills.

4. a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund mill levy.

b. If a district's general fund levy is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund mill levy from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.

c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.

5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.

6. For purposes of this section:

a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.

b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing sixty percent of the district's mineral and tuition revenue by the district's general fund mill levy. Beginning July 1, 2008, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing seventy percent of the district's mineral and tuition revenue by the district's general fund mill levy.

c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.

d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 15. AMENDMENT.** Section 15.1-27-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-15. ~~Per student payments -~~ Isolated schools.**

1. a. ~~If an~~ An elementary school is isolated if it has fewer than fifty students in average daily membership and if fifteen percent or more of its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from their residences in order to attend another school~~, the weighting factor provided under section 15.1-27-07 must be increased by twenty-five percent. If the school has fewer than fifteen students, the payment received must be for fifteen students~~.

b. For purposes of determining state aid, an elementary school that is isolated is presumed to have at least fifteen students in average daily membership.

2. a. ~~If a~~ A high school is isolated if it has fewer than thirty-five students in average daily membership and if fifteen percent or more of its students would have to travel beyond a ~~twenty-mile [32.2-kilometer]~~ fifteen-mile [24.1-kilometer] radius from their residences in order to attend another school~~, the weighting factor provided under section 15.1-27-06 must be increased by twenty-five percent. If the school has fewer than twenty students, the payment received must be for twenty students~~.

b. For purposes of determining state aid, a high school that is isolated is presumed to have at least twenty students in average daily membership.

**SECTION 16. AMENDMENT.** Section 15.1-27-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-16. Per student payments - Cooperating districts.** If~~, on or after July 1, 1997,~~ any school district receiving payments under this chapter cooperates with another school district for the joint provision of educational services under a plan approved by the superintendent of public instruction, ~~each cooperating district is entitled~~ the superintendent of public instruction shall, notwithstanding the provisions of section 7 of this Act, create and assign a separate weighting factor that allows the cooperating districts to receive, for a period of four years, ~~at least the same per student payment for each high school and elementary student as the district received prior to initiation~~ a payment rate equivalent to that which each district would have received had the cooperative plan not taken effect. The superintendent of public instruction shall compute the separate weighting factor to four decimal places and that weighting factor is effective for the duration of the cooperative plan.

**SECTION 17. AMENDMENT.** Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.**

1. ~~If any school district receiving per student payments calculated under section 15.1-27-06 reorganized with another school district under chapter 15.1-12 before August 1, 1997, the school district resulting from the reorganization is entitled to receive the same per student payments for each high school student as each separate school district received for each high school student prior to the reorganization, for a period of four years.~~

~~2.~~ ~~If any school district receiving per student payments calculated under this chapter reorganizes with another school district under chapter 15.1-12 after July 31, 1997, the school district resulting from the reorganization is entitled~~ Notwithstanding the provisions of section 7 of this Act, the superintendent of public instruction shall create and assign a separate weighting factor to:

a. Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and

b. Any school district that reorganizes on or after July 1, 2007.

2. a. The separate weighting factor must allow the reorganized school district to receive ~~the same per student payments for each high school and elementary student as~~ a payment rate equivalent to that which each separate school district would have received ~~for each high school and elementary student prior to the reorganization, for a period of four years~~ had the reorganization not taken place.

b. The separate weighting factor must be computed to four decimal places.

c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.

3. ~~The weighting factor for each district will be adjusted proportionately over a period of two years, following the period of time provided in subsection 1 or 2, until the adjusted weighting factor equals the weighting factor for the combined enrollment resulting from the reorganization.~~ At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 7 of this Act.

~~4. Notwithstanding the provisions of any other law, no school district may receive less in per student payments for the first year of its reorganization than the total amount that the districts participating in the reorganization received in per student payments for the school year immediately preceding the reorganization. If less than a whole school district participated in a reorganization, the superintendent of public instruction shall prorate the payments to which the newly reorganized district is entitled under this subsection.~~

**SECTION 18. AMENDMENT.** Section 15.1-27-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-18. Per student payments - Eligibility ~~- Minimum amounts~~.**

1. In order to be counted for the purpose of calculating per student payments, as provided for by this chapter, a high school student must be enrolled in at least four high school units. The units may include career and technical education courses offered in accordance with chapter 15-20.1 and courses that are approved by the superintendent of public instruction and offered by another high school district.

2. If a student is enrolled for graduation in a nonpublic school or if a student is taking fewer than four high school units and is enrolled in an approved alternative high school education program, the school district in which the student is enrolled is entitled to receive proportionate payments.

~~3. Each high school district must receive at least as much in total per student payments as it would have received if it had the highest number of students in the next lower weighting category.~~

**SECTION 19. AMENDMENT.** Section 15.1-27-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-19. Summer school courses and programs - ~~Proportionate payments~~ Payments to school districts.**

1. ~~Each school district that offers summer school courses at the high school level is entitled to receive proportionate payments provided each course offered~~ Before a weight may be assigned under section 6 of this Act for a student enrolled in a high school summer course, the superintendent of public instruction shall verify that the course satisfies requirements for graduation, comprises at least as many clock-hours as courses offered during the regular school term, and complies with rules adopted by the superintendent of public instruction.

2. ~~A school district that offers remedial~~ Before a weight may be assigned under section 6 of this Act for a student enrolled in an elementary summer ~~school programs at the elementary level is entitled to receive proportionate payments provided the programs comply~~ program, the superintendent of public instruction shall verify that the program complies with rules adopted by the superintendent of public instruction.

~~3. The superintendent of public instruction may adopt rules regarding proportionate payments for remedial summer school programs at the elementary level and summer school courses at the high school level.~~

~~4. Proportionate payments made under this section during a biennium for summer school courses or programs may not exceed one and one-half percent of the total amount appropriated by the legislative assembly for state aid payments during the biennium, or eight million dollars, whichever is less. No more than seventy-five percent of the amount made available under this subsection may be used to support summer school courses at the high school level and no more than twenty-five percent of the amount made available under this subsection may be used to support remedial summer school programs at the elementary level.~~

**SECTION 20. AMENDMENT.** Section 15.1-27-20 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-20. ~~Per student~~ State aid payments - Claim by school district - Appeal.**

1. ~~Upon the completion of student registration and in no event later than September tenth of each year, the business manager of a school district claiming payments from state funds under the provisions of this chapter shall file a claim in the form and manner prescribed by the superintendent of public instruction. The business manager must provide the number of registered high school and elementary school students for whom payments are claimed and any other information requested by the superintendent of public instruction.~~

~~2. The superintendent of public instruction shall compute the per student payments on the basis of the previous year's average daily membership less the number of students attending school during the current school year in another district under the provisions of open enrollment or the current year's fall enrollment, whichever provides the greater total payment. The superintendent shall make adjustments in the subsequent~~

~~year according to a comparison between the average daily membership for the year for which the adjusted payment is being made and the year preceding the year for which the adjusted payment is being made, whichever is greater, for grade levels that existed in both years. The greater of the two preceding years' average daily membership must be used in computing any adjustment in a district's per student aid payments.~~

~~3. School districts educating children of agricultural migratory workers and school districts offering approved summer courses during the months of June, July, and August are not restricted to payments for a one hundred eighty day school term.~~

~~4. Upon termination of the school year, the business manager of each school district that has received payments from state funds under the provisions of this chapter shall file with the school board a verified statement of the name, residence, and membership of each student and the units of high school work taken by each enrolled student.~~

~~5. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction, in the form and manner prescribed by the superintendent, the students in average daily membership for the recently completed school year. The superintendent shall notify the school district of any student average daily membership that is disallowed.~~

~~6. A~~ Any school district claiming state aid payments under this chapter shall provide to the superintendent of public instruction, at the time and in the manner requested by the superintendent, all information necessary for the processing of the claim.

2. If the superintendent of public instruction denies a district's claim for state aid payments, in whole or in part, the district may appeal the determination of the superintendent by ~~submitting a written appeal to~~ filing a written notice with the superintendent ~~of public instruction on or before September fifteenth of the year in which the~~, within thirty days from the date on which the district received the original determination ~~is made~~. The superintendent of public instruction may modify the original determination if the evidence submitted by the district justifies a modification. Upon appeal, or ~~in a case when no~~ if a timely appeal is not made, the determination of the superintendent ~~of public instruction~~ is final.

**SECTION 21.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**General fund levy - Impact on state aid.**

1. If in the first year of the 2007-09 biennium the general fund levy of a school district is less than one hundred fifty mills, the superintendent of public instruction shall:

   a. Determine the difference in mills between the district's general fund levy and one hundred fifty;

   b. Multiply the difference in mills determined under subdivision a by the district's total taxable valuation; and

   c. Subtract the dollar amount determined under subdivision b from the total amount of state aid to which the district is otherwise entitled.

2. If in the second year of the 2007-09 biennium and each year thereafter, the general fund levy of a school district is less than one hundred fifty-five mills, the superintendent of public instruction shall:

   a. Determine the difference in mills between the district's general fund levy and one hundred fifty-five;

   b. Multiply the difference in mills determined under subdivision a by the district's total taxable valuation; and

   c. Subtract the dollar amount determined under subdivision b from the total amount of state aid to which the district is otherwise entitled.

**SECTION 22.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Taxable valuation - Impact on state aid.**

1. If a school district's imputed taxable valuation per student is greater than one hundred fifty percent of the state average imputed taxable valuation per student, the superintendent of public instruction shall:

   a. Determine the difference between the district's imputed taxable valuation per student and one hundred fifty percent of the state average imputed taxable valuation per student;

   b. Multiply the dollar amount determined under subdivision a by the district's average daily membership;

   c. Multiply the dollar amount determined under subdivision b by one hundred eighty-five mills;

   d. Multiply the dollar amount determined under subdivision c by a factor of 0.75; and

   e. Subtract the dollar amount determined under subdivision d from the total amount of state aid to which the district is otherwise entitled.

2. For purposes of this section, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing the district's mineral and tuition revenue by sixty percent of the district's general fund mill levy. Beginning July 1, 2008, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing seventy percent of the district's mineral and tuition revenue by the district's general fund mill levy.

**SECTION 23. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35. Average daily membership - Calculation.**

1. Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given ~~classroom~~ grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given

~~classroom~~ grade, school, or school district is absent during a school calendar, and then dividing the sum by ~~one~~ the greater of:

a. The school district's calendar; or

b. One hundred eighty.

2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:

~~1.~~ a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;

~~2.~~ b. The two days set aside for professional development activities under section 15.1-06-04; and

~~3.~~ c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.

3. For purposes of calculating average daily membership:

a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

b. During the 2007-08 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 0.50. Beginning with the 2008-09 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

**SECTION 24.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Reduction in grade levels.** If a school district offers fewer grade levels than the district offered the previous school year, the superintendent of public instruction shall determine the district's average daily membership using only those grade levels that the district offers during the current school year.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Dissolved school districts.** For purposes of determining state aid, the superintendent of public instruction shall amend the average

daily membership of any school district that enrolls students who attended a dissolved school district during the school year prior to the dissolution.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance.** The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance - Exception.** Notwithstanding the provisions of section 26 of this Act, the superintendent of public instruction may not include any distribution provided for in the final subsection of section 28 of chapter 167 of the 2005 Session Laws, as amended in 2007 Senate Bill No. 2013 and approved by the sixtieth legislative assembly, in determining the unobligated general fund balance of a school district.

**SECTION 28. AMENDMENT.** Section 15.1-28-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-28-03. State tuition fund - Apportionment - Payment.** On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the state tuition fund. The superintendent shall ~~apportion the fund among the school districts of the state in proportion to the number of school age children residing in each district, as shown by the latest enumeration provided for by law and pay the amount apportioned to each school district. The superintendent shall make the payments required by this section at the same time as the per student payments required~~ include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

**SECTION 29. AMENDMENT.** Section 15.1-29-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-01. Education of students in bordering states - Payment of tuition.**

1. ~~Students~~ A student may attend ~~a~~ school in a bordering state in accordance with section 15.1-29-02 ~~under the following circumstances~~ provided:

   a. (1) ~~A~~ The student ~~who~~ lives within forty miles [64.37 kilometers] of another state; or

      (2) The student lives in a county bordering on another state ~~may, with the~~; and

b. The student has received approval ~~of~~ from the ~~school~~ board~~, attend a public school in a bordering state.~~

~~b. A student who has attended a school district in a bordering state since, and including, the 1990-91 school year must be permitted to continue attending school in the district in the bordering state.~~

~~c. A student whose sibling attended an out-of-state school during or before the 1990-91 school year must be permitted to attend school in the district the sibling attended in the bordering state~~ of the student's school district of residence.

2. If the school board of the district in which the student resides denies a request for a student's attendance in and payment of tuition to another state, the student's parent may appeal the decision to the three-member committee referenced in section 15.1-29-06.

   a. If the three-member committee determines that the student meets the terms of subdivision b or c of subsection 1, the student may attend school in the bordering state and the board of the student's school district of residence shall pay the tuition.

   b. If the three-member committee determines the student falls within the terms of subdivision a of subsection 1, then the three-member committee shall make its decision using the criteria specified in section 15.1-29-06.

   c. Notwithstanding the provisions of this section, if a student's school district of residence does not provide for the education of kindergarten students, the district may not pay tuition for a kindergarten student to attend school in a bordering state.

   d. Any decision by the three-member committee regarding the payment of tuition for high school, elementary, or kindergarten students may be appealed by the school board or by the student's parent to the state board of public school education. A decision by the state board is final.

3. ~~a. The superintendent of public instruction shall forward all state aid payments for a~~ A student attending an out-of-state school ~~to~~ under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.

   ~~b.~~ The student's district of residence may reduce any tuition payment it must make to an out-of-state school by an amount commensurate with the tuition costs the district would be entitled to receive as compensation for a student from the out-of-state district enrolled in its school.

4. Nothing in this section requires that a school district of residence provide student transportation or payments in lieu of transportation for students attending out-of-state schools.

**SECTION 30. AMENDMENT.** Section 15.1-29-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-02. Education of students in bordering states - Contract - Tuition.**

1. A school district may contract with a school district in a bordering state for the education of students. A contract between school districts must provide for the payment of tuition at an agreed-upon amount.

2. ~~For purposes of per student payments and tuition apportionment payments, a~~ A student who attends school in a bordering state under a contract provided for by this section is deemed to be in attendance in the student's school district of residence. The student's school district of residence is liable to the school district of the bordering state for payments as provided in the contract.

3. A school district in this state may not agree to accept ~~students~~ a student from a bordering state unless the tuition payable equals or exceeds the ~~per student payment plus the tuition apportionment payment~~ amount of state aid that the district would have received from this state for a student in the same grade if ~~its~~ that student had been attending school in the bordering state.

**SECTION 31. AMENDMENT.** Section 15.1-29-12 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-12. Tuition payments - Determination.**

1. Except as provided in section 15.1-29-13, a school district sending a student to another district for purposes of education shall pay the full cost of education incurred by the admitting district.

2. a. The admitting district shall determine the cost of education per student for its kindergarten, elementary, and high school students on the basis of its average daily membership and those expenditures permitted in determining the cost of education per student in section 15.1-27-03.

   b. To the cost of education per student, the admitting district shall add the latest available statewide average per student cost for extracurricular activities and the state average capital outlay per student. The state average capital outlay per student is determined by dividing the total of all school districts' annual expenditures for sinking and interest funds, tax receipts to the building funds, and general fund expenditures for capital outlay by the average daily membership of the state.

   c. The admitting district shall subtract the following from the amount arrived at under subdivision b:

      (1) The ~~weighted~~ per student payment ~~received by the admitting district, less the average amount per North Dakota resident student enrolled in the school district realized from the deductions applied under section 15.1-27-06~~ multiplied by the admitting district's school size weighting factor; and

      (2) Any credit for taxes paid to the admitting district by the student's parent.

   d. The amount remaining is the full cost of education incurred by the admitting district and the tuition amount payable for the individual

student. This chapter does not affect the right of a school board to charge and collect tuition from students who are not residents of this state, in accordance with section 15.1-29-02.

**SECTION 32. AMENDMENT.** Section 15.1-29-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-14. Student placement for noneducational purposes - Residency determination - Payment of tuition and tutoring charges.**

1. a. Except as provided in subdivision b, for purposes of applying this chapter, a student's school district of residence is the district in which the student's custodial parent or legal guardian resides:

   (1) At the time that a state court, tribal court, juvenile supervisor, or the division of juvenile services issues an order requiring the student to stay for a prescribed period at a state-licensed foster home or at a state-licensed child care home or facility;

   (2) At the time a county or state social service agency places the student, with the consent of the student's parent or legal guardian, at a state-licensed foster home or at a state-licensed child care home or facility;

   (3) At the time the student is initially placed in a state-operated institution, even if the student is later placed at a state-licensed foster home or at a state-licensed child care home or facility; or

   (4) At the time the student is placed voluntarily, by a parent or legal guardian, in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1.

   b. A determination regarding the student's school district of residence made under subdivision a is valid until the September fifteenth following the determination. On that date and each September fifteenth thereafter, the placing agency or the entity funding the student's placement shall determine the district in which the student's custodial parent or legal guardian resides and shall notify the district that it is deemed to be the student's district of residence for purposes of this chapter. If, however, the student is placed in accordance with paragraph 4 of subdivision a and the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this subdivision.

2. The student's school district of residence is obligated to pay:

   a. All charges for tuition upon claim of the admitting district; and

   b. All charges for tutoring services upon claim of an admitting facility, provided that the tutoring services are delivered by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board.

3. The state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for state aid to schools if, on the September fifteenth after a student placement is made as provided for under subsection 1:

   a. The student's custodial parent or legal guardian establishes residency outside this state;

   b. A court orders a termination of parental rights with respect to the student's parents;

   c. The student no longer has a custodial parent; or

   d. The superintendent of public instruction has determined that all reasonable efforts to locate a parent or legal guardian have been unsuccessful.

4. If the student is voluntarily admitted to a state-licensed child care home or facility, or to a state-operated institution, the student's parent or, if one has been appointed, the student's legal guardian may appeal a determination under section 15.1-29-05 regarding the payment of tuition by filing a petition with the county superintendent of schools. Within fifteen days of receiving the petition, the three-member committee established under section 15.1-29-06 shall consult with the boards of the affected school districts and with the student's parent or legal guardian and render a decision regarding responsibility for the payment of tuition charges.

5. If the student's district of residence does not pay the required tuition, the admitting district or facility shall notify the superintendent of public instruction. Upon verification that tuition payments and tutoring charges are due and unpaid, the superintendent shall withhold an amount equal to the unpaid tuition and tutoring charges from state aid otherwise payable to the student's school district of residence until the tuition and tutoring charges that are due ~~has~~ have been fully paid.

6. An amount equal to the state average per student elementary or high school cost, depending on the student's grade of enrollment, is payable to the admitting district or facility as part of the cost of educating the student for the school year. The payment may not exceed the actual per student cost incurred by the admitting district or facility. The remainder of the actual cost of educating the student not covered by other payments or credits must be paid by the state, within the limits of legislative appropriations, from funds appropriated for the payment of special education contract charges in the case of a student with disabilities or from state aid payments to schools in all other cases.

7. If a student with disabilities placed in accordance with this section reaches age eighteen and continues to receive special education and related services, the student's school district of residence is deemed to be the same as that of the student's custodial parent until the special education services are concluded. The obligations of the student's school district of residence as provided in subsection 2 and the obligations of the state as provided in subsection 3 are applicable to all students described in this subsection.

8. a. The placing agency or entity funding the student's placement shall provide written or electronic notice regarding an initial placement and

all subsequent placements of a student to the superintendent of the student's school district of residence and to the superintendent of the admitting district:

(1) Within five working days after a placement is made under court order;

(2) Within five working days after an emergency placement is made; or

(3) At least ten working days prior to any other placement.

b. If, however, the student's parent or legal guardian voluntarily places the student in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1, and if the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this section.

c. The notice must include any information requested by the superintendent of public instruction for purposes of determining payment responsibility.

d. The placing agency shall afford the student's school district of residence reasonable opportunity to participate in permanency planning for the student.

9. Notwithstanding this section, educational services provided to a student by the youth correctional center are not subject to the payment of tuition and tutoring charges by either the student's school district of residence or the superintendent of public instruction.

10. For purposes of this section, "custodial parent" means the parent who has been awarded sole legal and physical custody of the student in a legal proceeding or, if there is currently no operative custody order, the parent with whom the student resides. If the student resides with both parents, then both are custodial parents.

**SECTION 33. AMENDMENT.** Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-15. Levy for tuition payments.** If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to subdivision c of subsection 1 of section 57-15-14.2.

**SECTION 34. AMENDMENT.** Section 15.1-31-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-03. Open enrollment - ~~Per student~~ State aid ~~Tuition apportionment~~.**

1. Once a student is enrolled in an admitting district, the student must remain enrolled in the admitting district until:

a. The student graduates;

b. The student relocates to another district;

c. The student's parent applies for enrollment in another school district; or

d. The student's parent notifies the student's school district of residence that the student will attend school in the school district of residence the following year.

2. ~~Payment for per-student aid must be made to the admitting district in accordance with chapter 15.1-27.~~

~~3. For purposes of tuition apportionment payments, a student whose application is approved under this section is considered a resident of the admitting district.~~

~~4.~~ Except as specifically provided in this chapter, chapter 15.1-29 does not apply to students involved in open enrollment.

**SECTION 35. AMENDMENT.** Section 15.1-31-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-04. Open enrollment - Students with disabilities - Additional costs.** If an application under this chapter is approved for a student with a disability, the board of the student's school district of residence shall pay to the admitting district the costs incurred by the admitting district in providing special education and related services to the student ~~up to a maximum each school year of two and one-half times the state average per student elementary or high school cost, depending on the student's enrollment level, plus twenty percent of all remaining costs. The superintendent of public instruction shall reimburse the admitting district eighty percent of the remainder of the cost of educating the student with disabilities within the limits of legislative appropriations for that purpose~~. The superintendent of public instruction shall reimburse the student's school district of residence for all excess costs, as defined in section 15.1-32-18.

**SECTION 36. AMENDMENT.** Section 15.1-31-07 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-07. Students not subject to this chapter.** If a student, as a result of a school district dissolution or reorganization, resides in a district other than the one the student chooses to attend at the time of the dissolution or reorganization, the student is not subject to this chapter and may attend school in the chosen school district. ~~Notwithstanding section 15.1-28-03, the superintendent of public instruction shall forward payments from the state tuition fund made on behalf of the student to the student's chosen school district. The student may not be considered a student in average daily membership in the student's school district of residence for purposes of section 15.1-31-02.~~

**SECTION 37. AMENDMENT.** Section 15.1-32-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-08. School districts - Provision of special education.** Each school district shall provide special education~~, singly or jointly with other districts,~~ and related services as a single district, as a member of a multidistrict special education unit in

accordance with ~~this~~ chapter 15.1-33, or as a participating district in a regional education association under chapter 15.1-09.1. Each school district and entity providing special education shall cooperate with the director of special education and with the institutions of this state in the provision of special education.

**SECTION 38. AMENDMENT.** Section 15.1-32-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-14. Special education ~~per student payments~~ students - Contracts for placement.**

1. ~~If a student with disabilities receives special education services, the superintendent of public instruction shall forward any per student payments, payable on behalf of that student, directly to the school district in which the student receives such services.~~

~~2. If a student with disabilities attends a special education summer program required by the student's individualized education program or services plan and approved by the superintendent of public instruction, the superintendent of public instruction shall forward any additional prorated per student payments, payable on behalf of the student, directly to the school district in which the student receives such services.~~

~~3. If a student who is enrolled in a nonpublic school receives special education services in a public school, the superintendent of public instruction shall forward a proportionate per student payment to the school district in which the student receives the services.~~

~~4.~~ ~~a.~~ If in the opinion of an individualized education program team or a services plan team a student is unable to attend a public school in the special education unit to which the student's school district of residence belongs, the student's school district of residence shall contract with another public school that:

~~(1)~~ a. Does not belong to the same special education unit;

~~(2)~~ b. Is located in this state;

~~(3)~~ c. Is willing to admit the student; and

~~(4)~~ d. Is able to provide appropriate services to the student.

~~b.~~ 2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting school.

~~c.~~ 3. The contract must provide that the student's school district of residence ~~agrees to pay to the district in which the student receives services, as part of~~ is liable for the cost of educating the student ~~for the school year, an amount equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs. The amount paid may not exceed the actual per student cost incurred by the admitting school, less any per student payment received on behalf of the student under this section.~~

~~d. The liability of the student's school district of residence must be reduced proportionately if the student attends the admitting school for less than an entire school year.~~

~~e.~~ 4. Upon being notified by the district in which the student receives services that ~~tuition payments provided for by this section are due and unpaid~~ the student's school district of residence has not paid for services that were provided to the student, the superintendent of public instruction, after verification, shall withhold all state aid payments to which the student's school district of residence is entitled, until the ~~tuition due has been paid.~~

~~f. The superintendent of public instruction shall provide to the school district in which the student receives services, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits~~ required payments have been made.

**SECTION 39. AMENDMENT.** Section 15.1-32-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-15. Student with disabilities - Attendance at private institution or out-of-state public school.**

1. If in the opinion of an individualized education program team or an education services team a student is unable to attend a public school in the student's school district of residence because of a physical disability, a mental disability, or a learning disability, and if no public school in the state will accept the student and provide the necessary services, the student's school district of residence shall contract with:

   a. A private, accredited, nonsectarian, nonprofit institution that is located within or outside of this state and which has the proper facilities for the education of the student; or

   b. A public school located outside of this state that has proper facilities for the education of the student.

2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting institution or school.

3. The contract must provide that the student's school district of residence ~~shall pay to the institution or school, as part of~~ is liable for the cost of educating the student~~, an amount for the school year equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs.~~

~~4. The amount paid may not exceed the actual per student cost incurred by the institution or school.~~

~~5. The superintendent of public instruction shall provide to the student's school district of residence, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits.~~

~~6. The school district of residence is entitled to the per student payment for a student who receives services under this section.~~

4. A student who receives services under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.

**SECTION 40. AMENDMENT.** Section 15.1-32-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-16. Transportation services ~~- State reimbursement~~.** If a student's individualized education program or services plan requires the provision of transportation services, the student's school district of residence shall provide the services by any reasonably prudent means, including a regularly scheduled schoolbus, public transit, commercial transportation, chartered or other contracted transportation, and transportation provided by the student's parent or other responsible party.

**SECTION 41. AMENDMENT.** Section 15.1-32-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-18. Cost - Liability of school district for special education.** ~~If the cost of providing special education and related services to a student with disabilities, as determined by the superintendent of public instruction, exceeds the reimbursement provided by the state, the student's school district of residence is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of two and one-half times the state average per student elementary cost of education or high school cost of education, depending on the student's level of enrollment, plus twenty percent of all remaining costs. The two and one-half times amount includes the amount that the school district is required to pay under section 15.1-32-14. The state is liable for eighty percent of the remaining cost of education and related services for each such student with disabilities within the limits of legislative appropriations.~~

1. Each year the superintendent of public instruction shall identify the approximately one percent of special education students statewide who are not eligible for cost reimbursement under section 15.1-29-14 and who require the greatest school district expenditures in order to provide them with special education and related services. This percentage represents the number of students that would qualify for excess cost reimbursement beyond the multiplier that is established in subsection 3.

2. The excess costs of providing special education and related services to these students are the responsibility of the state and the superintendent of public instruction shall reimburse the school districts for any excess costs incurred in the provision of special education and related services to the identified students.

3. "Excess costs" are those that exceed four and one-half times the state average cost of education per student and which are incurred by the special education students identified in subsection 1.

4. All costs of providing special education and related services to those students identified in subsection 1, other than excess costs reimbursed by the state, are the responsibility of the student's school district of residence.

5. In addition to any other reimbursements provided under this section, if a school district expends more than two percent of its annual budget for the provision of special education and related services to one student, the district shall notify the superintendent of public instruction. Upon verification, the superintendent shall reimburse the district for the difference between:

   a. Two percent of the district's annual budget; and

   b. The lesser of:

      (1) The amount actually expended by the district for the provision of special education and related services to that student; or

      (2) The amount representing four and one-half times the state average cost of education per student.

**SECTION 42. AMENDMENT.** Section 15.1-33-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-33-02. Multidistrict special education units - School district participation.** A school district may join a multidistrict special education unit or together with other school districts form a multidistrict special education unit for purposes of planning and delivering special education and related services. ~~Each school district shall participate in a multidistrict special education unit or have on file with the superintendent of public instruction a plan for providing special education and related services as a single district.~~ If a school district wishes to join a multidistrict special education unit from which it has been excluded, the school district may petition the superintendent of public instruction. A school district may appeal a decision of the superintendent under this section to the state board of public school education.

**SECTION 43. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed ~~forty~~ fifty million dollars. The board may adopt policies and rules governing school construction loans.

2. In order to be eligible for a loan under this section, the board of a school district shall:

   a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;

   b. Obtain the approval of the superintendent of public instruction for ~~its~~ the construction project under section 15.1-36-01; and

   ~~b.~~ c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.

3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.

4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of eight million dollars or eighty percent of the actual project cost;

   b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

   c. A term of repayment that may extend up to twenty years.

5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of seven million dollars or seventy percent of the actual project cost;

   b. An interest rate buydown equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

   c. A term of repayment that may extend up to twenty years.

6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:

   a. A school construction loan equal to the lesser of two and one-half million dollars or thirty percent of the actual project cost;

   b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and

   c. A term of repayment that may extend up to twenty years.

7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.

~~4.~~ 8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.

~~5.~~ 9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount. ~~In determining the amount of a loan, the superintendent shall take into account the cost of the construction project and the fiscal capacity of the school district.~~

~~6. If the superintendent of public instruction approves the loan, the superintendent may determine the interest rate to be paid. The interest rate on a loan under this section may not exceed a rate of two percent below the net interest rate on comparable tax-exempt obligations as determined on the date the application is approved by the superintendent pursuant to section 15.1-36-01. The interest rate may not exceed six percent.~~

~~7. A school district may not receive a loan under this section unless the superintendent of public instruction determines that the district has an existing indebtedness equal to at least fifteen percent of its taxable valuation. In determining a school district's existing indebtedness, the superintendent shall include outstanding indebtedness authorized by an election under section 21-03-07 but not issued and indebtedness authorized to be paid with dedicated tax levies under subsection 7 of section 21-03-07 but not issued~~, the term of the loan, and the interest rate, in accordance with the requirements of this section.

~~8.~~ 10. The superintendent of public instruction may adopt rules governing school construction loans.

~~9.~~ 11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority ~~and further provided that the acquisition or activity is estimated to cost in excess of fifty thousand dollars~~.

**SECTION 44.** A new section to chapter 15.1-36 of the North Dakota Century Code is created and enacted as follows:

**School construction projects - Reorganized districts - Interest subsidy.**

1. If under chapter 15.1-12 two or more school districts prepare a reorganization plan, agree in that plan to pursue a construction project, and obtain the approval of the superintendent of public instruction in accordance with this chapter, the newly reorganized district is eligible to receive up to three hundred basis points of interest rate buydown on the lesser of:

   a. Thirteen million five hundred thousand dollars; or

   b. A percentage of the total project cost determined by:

      (1) Allowing five percent for each school district that participated in the reorganization;

      (2) Allowing five percent for each one hundred-square-mile [259-square-kilometer] increment that is added to the square miles [kilometers] of the geographically largest district participating in the reorganization;

      (3) Allowing five percent for every ten students added to the enrollment of the district having the greatest number of enrolled students and participating in the reorganization; and

      (4) Capping the allowable percentage at ninety percent of the total project cost.

2. In addition to the requirements of subsection 1, the percentage of cost subsidy determined under subdivision b of subsection 1 must equal at least twenty percent of the total project cost.

**SECTION 45.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**English language learner - Definition.** English language learner means a student who:

1. Is at least five years of age but has not reached the age of twenty-two;

2. Is enrolled in a school district in this state;

3. Has a primary language other than English or comes from an environment in which a language other than English significantly impacts the individual's level of English language proficiency; and

4. Has difficulty speaking, reading, writing, and understanding English, as evidenced by a language proficiency test approved by the superintendent of public instruction and aligned to the state English language proficiency standards and the state language proficiency test.

**SECTION 46.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**New immigrant English language learner - Definition.** A new immigrant English language learner is an English language learner who was not born in the United States and has not attended school in the United States for more than three school years or the monthly equivalent of three school years.

**SECTION 47. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. Tax levy limitations in school districts.** The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus eighteen percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:

   a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.

   b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.

2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.

~~3. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.~~

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the number of persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 48. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. a. During the first year of the 2007-09 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:

   (1) Fifty-one and one-half cents per mile for schoolbuses having a capacity of ten or more passengers and transporting students within city limits;

   (2) Seventy-three and one-half cents per mile for schoolbuses having a capacity of ten or more passengers and transporting students in rural areas; and

   (3) Forty cents per mile for vehicles having a capacity of nine or fewer passengers and transporting students in rural areas.

b. During the second year of the 2007-09 biennium, the superintendent of public instruction shall distribute to each school district the same amount the district received under this section for transportation services provided during the first year of the biennium.

2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of the transportation formula as it existed on June 30, 2001.

3. If any moneys provided for transportation payments in the grants - transportation line item in Senate Bill No. 2013, as approved by the sixtieth legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

4. Nothing in this section authorizes the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 49. SCHOOL DISTRICT REORGANIZATION PLANNING GRANTS.** The superintendent of public instruction may expend up to $100,000 from the grants - state school aid line item in subdivision 1 of section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, for the purpose of providing planning grants to school districts participating in reorganizations under chapter 15.1-12, for the biennium beginning July 1, 2007, and ending June 30, 2009. A grant provided under this section may not exceed $25,000 and may not be awarded unless the student enrollment of the participating districts exceeds three hundred sixty. If a grant is provided and the recipient districts vote not to reorganize, the superintendent of public instruction shall withhold the grant amount that each district received under this section from any state aid payable to the district.

**SECTION 50. APPROPRIATION - SCHOOL DISTRICT - DEFERRED MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $5,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2007, and ending June 30, 2009.

2. If the office of management and budget determines by April 30, 2008, that the June 30, 2008, ending balance of the state general fund will be more than $30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2007 legislative session, the superintendent of public instruction shall forward to each eligible school district:

   a. Ten thousand dollars; plus

   b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.

3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2009, that the June 30, 2009, ending balance of the state general fund will be more than $30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2007 legislative session, the superintendent of public instruction shall forward to each eligible school district:

   a. Ten thousand dollars; plus

   b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.

4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2010:

   a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or

   b. Return the funds to the superintendent of public instructions for deposit in the general fund.

5. For purposes of this section, an "eligible school district" is a school district that:

   a. Has a general fund levy equal to at least one hundred fifty mills;

   b. Is not precluded from receiving state aid by the provisions of section 26 of this Act; and

   c. Provides an equal monetary match for any amount received under this section.

**SECTION 51. NORTH DAKOTA COMMISSION ON EDUCATION IMPROVEMENT - MEMBERSHIP - DUTIES - REPORT TO LEGISLATIVE COUNCIL - REIMBURSEMENT FOR EXPENSES.**

1. The North Dakota commission on education improvement consists of:

   a. (1) The governor or an individual designated by the governor, who shall serve as the chairman;

   (2) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than one thousand students in average daily membership;

   (3) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than two hundred twenty but fewer than one thousand students in average daily membership;

   (4) One individual, appointed by the governor, who is employed as the superintendent of a high school district having fewer than two hundred twenty students in average daily membership;

(5) One individual, appointed by the governor, who is employed as a school district business manager;

(6) The chairman of the senate education committee or the chairman's designee;

(7) The chairman of the house education committee or the chairman's designee;

(8) The senate minority leader or the leader's designee;

(9) One legislator appointed by the chairman of the legislative council; and

(10) The superintendent of public instruction or an assistant superintendent designated by the superintendent of public instruction; and

b. One nonvoting member representing the North Dakota council of educational leaders, one nonvoting member representing the North Dakota education association, and one nonvoting member representing the North Dakota school boards association.

2. The commission shall establish its own duties and rules of operation and procedure, including rules relating to appointments, terms of office, vacancies, quorums, and meetings, provided that the duties and the rules do not conflict with any provisions of this section.

3. The members of the commission are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials. The superintendent of public instruction shall use up to $40,000 from moneys appropriated in the grants - state school aid line item in section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, to provide the reimbursements.

4. The commission shall examine the current system of delivering and financing public elementary and secondary education and shall develop recommendations addressing educational adequacy, the equitable distribution of state education funds, the allocation of funding responsibility between federal, state, and local sources, and any other matters that could result in the improvement of elementary and secondary education in the state.

5. The commission shall provide periodic reports to the governor and to the legislative council.

**SECTION 52. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO LEGISLATIVE COUNCIL.**

1. During the 2007-09 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2007.

2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2007-09 biennium by:

   a. Determining the total amount of state dollars received by each district during the 2005-07 biennium as per student payments, tuition apportionment payments, special education per student payments, and English language learner payments;

   b. Determining the total amount of state dollars received by each district during the 2007-09 biennium as per student payments, provided that neither equity payments under section 15.1-27-11 nor contingency distributions are to be included in the total; and

   c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.

3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.

4. a. The provisions of this section do not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with the provisions of subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.

   b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.

   c. The superintendent of public instruction shall report all notices received under this subsection to an interim committee designated by the legislative council.

**SECTION 53. MILITARY INSTALLATION SCHOOL DISTRICTS - ELIGIBILITY FOR STATE AID AND EQUITY PAYMENTS.** If at any time the board of a United States military installation school district assumes responsibility for the direct provision of education to its students, the superintendent of public instruction shall include all students being educated by the board in the district's average daily membership, both for purposes of determining any state aid to which the district is entitled and for purposes of determining any equity payments to which the district is entitled under section 15.1-27-11.

**SECTION 54. AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS - COST-SHARE INCENTIVES.**

1. The state board for career and technical education shall use $1,200,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to award grants for the purpose of assisting with the establishment of at least two new area career and technology centers in areas of the state that, as of July 1, 2007, are not served by an existing center. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a

number of students who will be served and to alignment of the proposed area career and technology center with existing educational associations governed by joint powers agreements.

2. The state board for career and technical education shall use $800,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to increase cost-share incentives for area career and technology centers.

**SECTION 55. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent shall:

1. Use the first $1,000,000, or so much of that amount as may be necessary, to pay any state obligations in excess of the amount appropriated for special education contract charges;

2. Use the next $2,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school districts participating in regional education associations under chapter 15.1-09.1;

3. Use the next $550,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts serving English language learners and new immigrant English language learners, in accordance with chapter 15.1-38;

4. Use the next $200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2007-09 biennium; and

5. Use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 56. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-first legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 57. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed.

**SECTION 58. REPEAL.** Sections 15.1-07-28, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code are repealed.

**SECTION 59. EXPIRATION DATE.** Section 27 of this Act is effective through June 30, 2007, and after that date is ineffective.

**SECTION 60. EMERGENCY.** Sections 27, 51, 57, and 59 of this Act are declared to be an emergency measure."

Renumber accordingly

Engrossed SB 2200 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

SB 2200

SB 2200

FINAL DRAFT

OF THE REPORT TO
Governor John Hoeven and the
North Dakota Interim Legislative Committee
On Education Finance and the
North Dakota Legislative Assembly
Responding to Executive Order 2006-01

FROM THE NORTH DAKOTA COMMISSION
ON EDUCATION IMPROVEMENT

Members:
Lieutenant Governor Jack Dalrymple, Chair
Wayne Sanstead, Superintendent, ND Department of Public Instruction
Warren Larson, Superintendent, Williston Public Schools
Jack Maus, Superintendent, Grafton Public Schools
Martin Schock, Superintendent, Elgin/New Leipzig Public Schools
Paul Stremick, Superintendent, Dickinson Public Schools
Mark Lemer, Business Manager, West Fargo Public Schools
Senator Tim Flakoll, Senate Education Committee
Senator David O'Connell, Senate Minority Leader
Representative RaeAnn Kelsch, House Education Committee Chair
Representative David Monson, Assistant House Majority Leader
Doug Johnson, Executive Director, ND Council of Educational Leaders
Jon Martinson, Executive Director, ND School Boards Association
Joe Westby, Executive Director, ND Education Association
Gloria Lokken, President, ND Education Association

January 3, 2007
Bismarck, North Dakota

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## INTRODUCTION

On December 16, 2003, an amended complaint was filed by nine North Dakota school districts requesting that the state's public school finance system be declared unconstitutional. The nine plaintiff districts are Williston, Grafton, Devils Lake, Valley City, United, Surrey, Hatton, Thompson and Larimore. The state has denied and continues to deny the plaintiffs' claims.

On January 10, 2006, the parties in opposition determined that it was desirable for them to stay the action and provide the North Dakota Legislative Assembly with the opportunity to settle, compromise, and resolve this action on certain terms and conditions. Consequently, the parties executed an "Agreement to Stay Litigation". The document is attached as Exhibit A.

The first condition accepted by both parties is that the Governor issue an Executive Order creating a North Dakota Commission on Education Improvement. The document is attached as Exhibit B. The Commission members include the Governor, the Superintendent of Public Instruction, four school district administrators, and four legislators. The Commission also includes three non-voting members representing the state's teachers, school boards, and school administrators.

The Commission was instructed to prepare a report that recommends ways to improve the current system of delivering and financing elementary and secondary education, including the equitable distribution of state education dollars and the adequacy of state education dollars. The report and subsequent reports are intended to provide the basis for

proposed legislation to be put before the Legislative Assembly for consideration in both the 2007 and 2009 Sessions.

The second condition accepted by both parties is that the Executive Budget for the 2007 legislative session include at least an additional $60 million for elementary and secondary education over the amount appropriated by the 2005 Legislative Assembly. A table of baseline appropriations for elementary and secondary education programs, as agreed to by the Commission, is found on page 12. The amount appropriated by the 2005 Legislative Assembly for education programs is $675,583,095. Therefore, the 2007 Legislative Assembly will be asked to consider legislation that appropriates at least $735,583,095 for elementary and secondary education during the 2007-2009 biennium, and which also contains substantial improvements in the equitable distribution of those dollars. If the 2007 Legislative Assembly appropriates at least $60,000,000 in new state funds, and if the Legislative Assembly adopts the Commission on Education Improvement as a vehicle for achieving further improvements in school finance, then the plaintiffs have agreed to dismiss their lawsuit against the State and not initiate any other lawsuit until after the completion of the 2009 legislative session.

It is envisioned that the question of school funding adequacy will continue to be addressed by the Commission during the 2007-2008 interim and that additional recommendations will be made to the 2009 Legislative Assembly. The combined recommendations of the Commission for the 2007 Legislative Session represent a transition plan in which the issue of equity in North Dakota school funding is laid to rest and the system of school finance is prepared for what is expected to be another increase in state

funds again in the 2009 Legislative Session that are dedicated almost entirely to state aid payments. During the 2007-2008 interim, the Commission is expected to focus on the question of adequacy and make further recommendations to be examined by the 2009 Legislative Assembly.

This report contains the Commission's recommendations on how to improve the current system of funding public education in North Dakota. The Commission did not, therefore, focus on issues of general education policy, such as governance, school district size, and the general prioritization of education programs, unless those issues were found to have had a direct impact on either equity or adequacy. The policy recommendations made by the Commission should not be construed as legal requirements.

# EXECUTIVE SUMMARY

## Background

On January 10, 2006, the plaintiff districts and the State agreed to a "Stay of Litigation" based on two conditions: one, the Governor would form a Commission comprised of the Governor, the Superintendent of Public Instruction, four school district administrators, and four legislators to make recommendations to improve the equity and adequacy of school funding; and two, the Governor would include at least $60,000,000 in new State funds in his Executive Budget. Litigation will not be re-initiated, if ever, until 2009 if the Legislature appropriates at least $60,000,000 and adopts the Commission as a vehicle for achieving further improvements.

## Main Formula

The Commission recommends that a comprehensive formula including all State funds and all appropriate cost adjustments be developed based on the current method of distribution, which is the per student payment.

Payments would include all funds previously distributed as Foundation Aid, teacher compensation, tuition apportionment, special education ADM payments, supplemental payments, and all new State funds appropriated for per student payments.

Per student payments should be adjusted by using weighting factors that reflect all added costs of current programs provided by state law and the added cost of operating smaller schools. The $60,000,000 in new State funds should be distributed under this new formula.

The base payment should be adjusted for school districts that have taxable valuations per student more than 150 percent of the state average (total excess valuation times 185 mills times .75).

The base payment should be adjusted if the local taxing effort is well below the statewide average (mills below 155 in Year 1 and 160 in Year 2, multiplied by the total taxable valuation).

For Year 1, the state aid for each new weighted student unit should be no less than 102% of the state aid per new weighted student unit allocated in the previous year. For each year thereafter, the state aid per weighted student unit should not decline from 103% of the baseline.

For Year 1, the state aid for each new weighted student unit should not exceed 107% of the state aid per new weighted student unit allocated in the previous year, excluding any equity payment. For each year thereafter, the allowable increase in state aid per weighted student unit over the baseline year should be adjusted by an additional three percentage points each year.

**Main Formula – School Size Weighting Factor**

Each school district should have a single weighting factor that reflects the relative cost of education for that district. This is important because this factor should be applied to the Weighted Average Daily Membership which is weighted by all of the other factors that add cost to educating a typical student as proposed in the new main formula. This recommendation is based on the understanding that all programs listed on the "Illustration

for new Main Formula" are more costly to deliver in a smaller school district because of the inherent loss of efficiency in a smaller school.

**Equity Payment**

The mill levy deduct should be discontinued because it is viewed by many people as a "tax" on wealthier districts and because it is unlikely to ever receive the necessary political support for it to be the principle means of providing an equitable system of education funding.

The Supplemental Payment Plan should be replaced with an Equity Payment Plan. Such a plan would offset the loss of revenues suffered by any school district whose imputed taxable valuation per student is below 90 percent of the statewide average imputed valuation per student by paying out the revenue lost due to their deficiency in imputed taxable valuation.

Calculations made to determine the equity payment should include mineral income and unrestricted tuition income by imputing these categories of cash revenue into an Imputed Taxable Valuation, which is the taxable valuation of real property plus a theoretical valuation created by dividing 75 percent of the district's other cash revenue from minerals and tuition by the property tax rate of the district.

Adjustments should be made to the equity payment to encourage local taxing effort, but there should be an assumed minimum tax base.

**Special Education**

The Commission recommends that the Legislature merge special education per student payments with general education per student payments, and raise the special

education percentage over time. The special education weighting factor should be set to provide $6 million in new State funds under an ADM distribution.

The Commission recommends that the Legislature guarantee the excess costs incurred by school districts in serving the 1% most costly students in the special education population. Overall, the Commission recommends an increase of $2,000,000 in State funds for the contract side of special education funding.

The commission recommends that the Legislature reduce the number of special education units in the state.

**Capital Improvement Equity**

The current needs-based evaluation system for school districts contemplating a remodeling, expansion or new construction should be used with new equity criteria to determine eligibility for low interest loan funds.

The Commission makes no specific recommendation for requiring a minimum school district size in North Dakota at this time. This should be addressed by the Commission and the Legislative Assembly in time for the 2009 Legislative Session. However, a Capital Improvement Assistance Program is needed for two or more school districts that are considering reorganization and are willing to plan together the future capital spending that will be required by their merged future. Significant financial incentives should be offered.

## Career and Technical Education

The Commission recommends that the Legislature target $1,300,000 for incentives for Area Career and Technology Education centers and other cooperative service delivery techniques for CTE programs.

The Legislature should provide $1,200,000 in pilot program funding to the State Board to defray the start-up costs of two new Area CTE centers.

## Joint Powers Agreements (JPAs)

The Commission strongly recommends the continued development of JPAs as a tool to provide equitable and adequate education services in the environment of declining enrollment.

Specifically, the Commission recommends that the General Fund appropriation for JPAs be increased by $1,000,000 and that JPAs once again be eligible for $1,000,000 in contingency funds from surplus State Aid.

## Transition to Adequacy

The combined recommendations of the Commission for the 2007 Legislative Session represent a transition plan in which the issue of equity in North Dakota school funding is laid to rest and the system of school finance is prepared for a significant infusion of state funds again in the 2009 Legislative Session that are dedicated almost entirely to adequacy, i.e. increased per student payments.

## TERMINOLOGY
## K-12 FUNDING FORMULAS

| | |
|---|---|
| 1) Base ADM | The figure that represents the number of students in grades 1-12 together with the number of students in kindergarten multiplied by .50, and the number of students enrolled in early childhood special education programs. |
| 2) ELL Student | A student who is an English language learner as defined in the North Dakota Century Code. |
| 3) Equity Payment | A special payment to school districts to offset the deficiency of revenues caused by inadequate taxable valuation. |
| 4) ESY Program | Extended school year program for students with disabilities. |
| 5) Imputed Taxable Valuation | The taxable valuation of real property plus the theoretical valuation created by dividing 75 percent of a district's mineral and unrestricted tuition income by the district's General Fund mill levy. |
| 6) Missing Valuation Per Student | The amount by which a district's imputed taxable valuation per student falls below the state average imputed taxable valuation per student. |
| 7) Per Student Payment | The state payment for each weighted student unit. |
| 8) School District Size Weighting Factor | The factor that adjusts for the costs of operating school districts of various sizes. |
| 9) State Aid Payment | The total of all state dollars paid to a school district under the main education funding formula. |
| 10) Total Valuation Deficiency | The Missing Valuation per student multiplied by the district's Base ADM. |
| 11) Weighted ADM | The figure that results from adding the base ADM with the weighting factor adjusted ADM. |

12) Weighted Student Units

The student payment units determined by multiplying the weighted ADM by the school district size weighting factor.

13) Weighting Factor

The amount that is added to the base factor of 1.00 and which reflects the added cost of educating a student in each of several categories.

## K-12 EDUCATION
## MAIN FUNDING FORMULA

**Background:**

In the late 1950s, the North Dakota Legislative Assembly initiated a foundation aid program to provide a uniform per student payment to school districts. At the outset, the program's weighting factors only reflected varying costs stemming from school district size and grade levels.

Over the course of numerous legislative sessions, other programs layered additional dollars on top of the per student payments. These programs included supplemental equity; special education; early childhood special education; summer school; migrant summer school; English language learners; extended school year; home education; alternative high schools; small and isolated schools; out-of-state reciprocity; teacher compensation payments; technology incentive programs; grants to educational associations governed by joint powers agreements; career and technical education; and grants for transportation.

**Principles for Change:**

1) The proliferation of programs has created a lack of simplicity and transparency, thereby making it difficult to understand how much financial support is actually being given to each school district. A new comprehensive formula will provide this simplicity and transparency. The per student payment is still the best method for distributing state aid and for ensuring that the state aid follows each student. As public education evolves and students become more mobile due to open enrollment, alternative programs, and mid-year relocations, a distribution system

whereby the Weighted ADM follows the student is most flexible and best suited to accommodate future changes.

2) The per student payment should be adjusted by adding weighting factors that reflect all added costs, including the types of students and the requirements for each program.

3) School size weighting factors should be included in the formula to account for the increased cost of operating smaller and often less efficient schools.

4) By distributing a greater proportion of state dollars through a cost-adjusted or "weighted" payment system, greater equity can be achieved.

5) School districts with general fund levies that are well below the state average should have their state distribution reduced to encourage local taxing efforts that are both adequate and equitable. This is best accomplished by means of a Minimum Mill Levy Offset.

6) School districts that have per student taxable valuations well in excess of the state average should have their state distribution reduced to narrow the disparity among the state's districts. Unlike the mill levy deduct, which reduces payments with the first dollar of excess valuation, the High Valuation Offset affects only districts that enjoy student valuations well above the state average.

7) Minimum and maximum allowable growth totals in state distributions should be established for all districts in order to provide a gradual transition to higher payment levels anticipated during the 2009-2011 biennium.

8) Any new funding formula should allow school districts as much discretion as possible with respect to delivering education.

## BASELINE STATE FUNDS APPROPRIATED FOR K-12 EDUCATION PROGRAMS

| Biennium | Foundation Aid Per Student | | Teacher Payments | Tuition Apportionment | Supplemental Payments | Special Education | JPA Payments | Career and Technical Education | Total |
|---|---|---|---|---|---|---|---|---|---|
| 1991-93 | $344,707,785 | | $0 | $47,225,456 | $0 | $29,164,376 | $0 | $7,553,960 | $428,651,577 |
| 1993-95 | 360,919,892 | | 0 | 46,017,000 | 0 | 33,500,000 | 0 | 7,490,845 | 447,927,737 |
| 1995-97 | 396,506,035 | | 0 | 46,017,000 | 2,225,000 | 36,850,000 | 0 | 7,155,620 | 488,753,655 |
| 1997-99 | 429,587,939 | | 0 | 49,273,144 | 3,100,000 | 40,550,000 | 0 | 7,700,506 | 530,211,589 |
| 1999-2001 | 443,006,259 | | 0 | 53,528,217 | 3,100,000 | 46,600,000 | 0 | 8,570,234 | 554,804,710 |
| 2001-03 | 437,971,648 | | 35,036,000 | 67,239,025 | 2,200,000 | 49,898,695 | 0 | 9,355,328 | 601,700,696 |
| 2003-05 | 454,579,990 | [1] | 51,854,000 | 69,495,371 | 5,000,000 | 49,898,695 | 0 | 9,473,009 | 640,301,065 |
| 2005-07 | 484,053,759 | [1] | 50,912,120 | 71,600,000 | 5,000,000 | 52,500,000 | 1,000,000 | 10,517,216 | 675,583,095 |

## COMMISSION ON EDUCATION IMPROVEMENT RECOMMENDATION

| | Formula Payments | | Special Education Contract Payments | JPA Payments | Career and Technical Education | Total |
|---|---|---|---|---|---|---|
| 2007-09 | $704,565,879<br>+ $19,500,000 | [1,2] | $16,500,000<br>+ $1,000,000 | $2,000,000 | $12,517,216 | $735,583,095<br>+ $20,500,000 |

[1] Appropriation includes a contingent distribution for educational associations (JPAs) if unspent foundation aid monies are available at the end of the biennium: $250,000 in 2003-05, $1 million in 2005-07, $1 million proposed in 2007-09

[2] Refer to Exhibit C for detailed accounting.

**Recommendations:**

The average annual per student payment is determined by dividing the total dollars available each year of the biennium for per student payments ($338,877,689 in Year 1 and $350,829,931 in Year 2) and then dividing the results by the number of weighted student units statewide (109,652 in Year 1 and 110,712 in Year 2). For the 2007-2009 biennium, the per student payment is estimated to be $3,090 for the first year and $3,169 for the second year. The total dollars available for per student payments includes all formula payments except the new equity payments. See Exhibit C for a detailed accounting.

The base per student payment includes several categories of funding that previously were separate programs. Teacher compensation payments will be included in the per student payments because the original purpose, which was to increase teacher salaries statewide in the 2001-2003 biennium, now no longer provides this incentive. When the Governor proposed to increase teacher payments again in the 2003-2005 biennium, this program was rejected by the Legislative Assembly in favor of a provision requiring that 70 percent of new state dollars received by a district be set aside for teacher compensation increases. The Commission supports the current provisions regarding 70 percent of new state dollars from per student payments being earmarked for increases in teacher compensation. At this time, the per teacher payment represents less than 10 percent of distributions with no incentive value due to the static level of the payments, so it is only logical to consolidate this payment into the new comprehensive formula.

The base per student payment also includes dollars that were previously distributed as tuition apportionment payments. After conducting a legal analysis, the Commission

determined that the Legislative Assembly has the authority to distribute tuition apportionment dollars in a manner that it deems fair and reasonable for the benefit of North Dakota's children. The Commission therefore recommends that the Legislative Assembly make these distributions on the basis of the new comprehensive funding formula in order to achieve the greatest equity possible. This recommendation assumes that the Legislative Assembly will use these funds solely for children attending public schools.

The base per student payment also includes dollars that were previously distributed as separate special education payments on an ADM basis. The Commission has determined that these payments should be merged with the general education dollars distributed under the main formula. The amount provided is the result of multiplying the estimated weighting factor of .067 times the base ADM of all school districts and then multiplying that result by the per student payment in order to arrive at the desired appropriation. The target of $40,000,000, including $400,000 for Gifted and Talented programs, represents an increase of $6,000,000 over the amount appropriated for the 2005-2007 biennium.

All of these sources of funds from other programs, taken together with prior per student funds and growth in per student funds (net of adjustments), constitute the new per student dollars of approximately $691,442,400.

Before reading the explanation of the new formula, refer to page 11 for definitions of the terminology used. Also, follow the number key in the "Illustration for New Main Funding Formula" on page 19.

**Illustration for New Main Funding Formula**
**Prepared for the ND Commission on Education Improvement**
***(Based on Grafton School District Prior Year Data Rounded)***

| Key | Description | ADM | Weighting Factor | Weighted ADM |
|---|---|---|---|---|
| 1 | Grades 1-12 ADM (based on prior year-end) | 828.00 | 1.00 | 828.00 |
| 2 | Kindergarten ADM | 60.00 | .50 | 30.00 |
| 3 | PK Special Ed ADM | 24.00 | 1.00 | 24.00 |
| 4 | Base ADM | | | 882.00 |
| 5 | Special Ed ADM (non-contract) | 882.00 | 0.067 | 59.09 |
| 6 | PK Special Ed ADM | 24.00 | 0.17 | 4.08 |
| 7 | English Language Learners (Levels 1 & 2) | 20.00 | 0.23 | 4.60 |
| 8 | Special Ed ESY | 10.00 | 1.00 | 10.00 |
| 9 | Alternative High School | 0.00 | 0.25 | 0.00 |
| 10 | Summer School | 16.00 | 0.60 | 9.60 |
| 11 | Migrant Summer School | 50.00 | 1.00 | 50.00 |
| 12 | Home-Schooled (Supervision) | 6.00 | 0.50 | 3.00 |
| 13 | At risk – Poverty (illustration) | 20.00 | 0.00 | 0.00 |
| 14 | At risk academically – low percentile in AYP (illustration) | 20.00 | 0.00 | 0.00 |
| 15a | Small Isolated (Additional ADM for minimum) | 0.00 | 1.00 | 0.00 |
| 15b | Small Isolated (Cost factor on actual and phantom) | 0.00 | 0.25 | 0.00 |
| 16 | Out-of-State Reciprocity | 0.00 | 0.20 | 0.00 |
| 17 | Weighted ADM Total | | | 1,022.37 |
| 18 | School Size Weighting Factor | | | x 1.01 |
| | Weighted Student Units | | | 1,032.59 |
| 19 | Per Student Payment | | | x $3,090 |
| 20 | Total State Aid Payment (Minimum of 2% growth and maximum of 7%) | | | $3,190,703 |
| 21 | 170 Minimum Mill Levy Offset | | | 0 |
| 22 | High Valuation Offset | | | 0 |

**Key #1 – Grades 1-12 ADM**

Use the prior year's closing ADM, Average Daily Membership for Grades 1-12, as the basis for the formula.

**Key #2 – Kindergarten ADM**

Multiply the number of kindergarten students by .50 to reflect the current state policy of funding half-day kindergarten only.

**Key #3 – Early Childhood Special Education ADM**

Determine the number of early childhood special education students who attend classes at least 10 hours per week.

**Key #4 – Base ADM**

Add the results from Key #1, #2, and #3. This is the "Base ADM."

**Key #5 –Special Education Factor**

Multiply the Base ADM by .067 to reflect dollars that are distributed to school districts as per student special education dollars.

**Key #6 –Early Childhood Special Education Factor**

Multiply the number of early childhood special education students by .17 to reflect the additional cost of educating these students.

**Key #7 – English Language Learners Factor**

Multiply the number of English Language Learners at levels I and II by .23 to reflect the added cost of educating these students. If the funds required for levels I and II are less than $650,000, the remaining funds would be made available for level III and level IV students.

**Key #8 – Special Education Extended School Year Factor**

Multiply the number of special education students who are enrolled in extended school year programs by 1.00 to reflect the cost of educating these students.

**Key #9 – Alternative High School Factor**

Multiply the number of full time equivalent students enrolled in an Alternative High School by .25 to reflect the current state policy of recognizing alternative high schools as separate small schools with their own weighting factors.

**Key #10 – Summer School Factor**

Multiply the number of full time equivalent students enrolled in regular summer school programs by .60 to reflect the cost of educating these students.

**Key #11 – Migrant Summer School Factor**

Multiply the number of full time equivalent students enrolled in migrant summer school programs by 1.00 to reflect the cost of educating these students.

**Key #12 – Home Education Factor**

Multiply the number of home educated students that receive school district supervision by .50 to reflect the current cost of supervising these students.

**Key #13 – At Risk Poverty Factor**

Multiply the number of students who are considered "At Risk" due to the effects of poverty by .00 to reflect the added cost of educating these students. (Illustration only).

**Key #14 – At Risk Academically Factor**

Multiply the number of students who test below the 5th percentile in Reading or Math in the latest AYP assessment by .00 to reflect the added cost of educating these students. (Illustration only).

**Key #15a – Small Isolated (Phantom Students Factor)**

Include the number of "phantom" students allowed under the state's definition of small and isolated schools.

**Key #15b – Small Isolated Cost Factor**

Multiply the number of actual and phantom students in a small and isolated school district by .25 to reflect the dollars that are currently provided under state law for these students.

**Key #16 – Out-of-State Reciprocity Factor**

Multiply the number of students who are educated in another state under a reciprocity agreement by .20 to reflect the dollars that are currently distributed to subsidize these students.

**Key #17 – Weighted ADM**

Add the results from steps 1-16 to determine the school district's "weighted ADM".

**Key #18 – Weighted Student Units**

Multiply the weighted ADM by the school size weighting factor to determine the school district's weighted student units. A table of new school district size weighting factors can be found on page 28.

**Key #19 – Per Student Payment**

Divide the available dollars by the weighted student units to determine the per student payment.

**Key #20 – Total Formula Payment (Minimum and maximum growth rate)**

The total formula payment is the weighted student units (line 18) multiplied by the per student payment (line 19). For the purpose of determining a minimum and maximum distribution of state dollars, the amount allowed for consideration is the sum of all state dollars distributed to a school district through the Department of Public Instruction, except amounts for transportation, excess cost reimbursement, educational associations governed by JPAs, prior year education funding adjustments, and special education contract dollars.

In order to calculate a minimum and maximum payment to school districts, it is necessary to establish a baseline dollar amount per weighted student unit from which increases can be calculated. This "baseline funding per weighted student unit" will be the formula state aid payments to the district for the 2006-2007 school year divided by the weighted student units developed under the new formula for the 2007-2008 school year.

For the 2007-2008 school year, the formula distribution per weighted student unit for a district may be no less than 102 percent of the baseline funding per weighted student unit (including any equity payment). For the 2008-2009 school year, and each year thereafter, the formula state aid per weighted student unit (including any equity payment) may not be less than 103 percent of the baseline funding per weighted student unit. It is anticipated that the per student payment will increase approximately $94 from the first year to the second year of the biennium.

For the 2007-2008 school year, the maximum allowable payment in formula distribution per weighted student unit under the new formula (not including any equity payment) is 107 percent of the baseline funding per weighted student unit. For the 2008-2009 school year, the maximum allowable payment in formula state aid per weighted student unit (not including any equity payment) is 110 percent of the baseline funding per weighted student unit. For ensuing years, assuming the formula is not changed, the maximum allowable formula distribution per weighted student unit should be allowed to increase by three percentage points each year.

**Key #21 – 170 Minimum Mill Levy Offset**

Any school district having a general fund levy that is less than 155 mills in Year 1 and 160 mills in Year 2 should have its state aid payment reduced. The reduction should equal the number of mills below 155 in Year 1 and 160 in Year 2, multiplied by the total taxable valuation of the school district.

**Key #22 – High Valuation Offset**

In the absence of the traditional mill levy deduct, a new factor is needed to provide equalization where the imputed taxable valuation per student is well above the state average imputed taxable valuation per student. The principle here is that school districts should be allowed to enjoy some benefit from their inherent property wealth and not suffer deductions from the first dollar of excess property value. However, at some level there needs to be an offset for excess valuation per student. The Commission recommends that the High Valuation Offset be effective for imputed valuations per student in excess of 150 percent of the state average imputed valuation per student. The reduction should equal the district's total excess imputed taxable valuation, which is the amount of valuation over 150 percent of the state average, multiplied by 185 mills times .75.

**Legislation Required**

1) Revise sections relating to determining ADM, weighting factors, payments for early childhood special education, special education distributions, English language learners, extended school year programs, payments to alternative high schools, payments for summer school, payments for migrant summer school, and the supervision of home educated students.

2) Revise the section regarding state aid to education.

3) Eliminate the requirement for completing the teacher compensation claim form.

4) Revise the section regarding tuition apportionment to reflect the revised distribution methodology.

5) Eliminate the requirement for a school census.

6) Adopt a new section to require a reduction in state funding for low taxing effort, i.e. mill levies below 155 mills in Year 1 and 160 mills in Year 2.

7) Adopt a new section requiring an offset to the main formula payment for high valuation districts that have an imputed taxable valuation per student more than 150 percent of the state average.

Require that the Commission on Education Improvement continue to study improvements in the funding of K-12 education, including equity and adequacy, during the 2007-09 interim and report to an interim committee selected by the Legislative Council.

## K-12 EDUCATION
## MAIN FUNDING FORMULA
## SCHOOL DISTRICT SIZE WEIGHTING FACTOR

### Background

Since the inception of the foundation aid program, the Legislative Assembly has used weighting factors to adjust state aid to account for the cost variances of operating a small school versus a large school. These weighting factors were in statute and addressed grade levels and school size.

As time passed, it became a challenge to statutorily adjust the weighting factors so that the changing costs of providing education could be accurately reflected. Each factor had developed a constituency that opposed any changes. Finally, Governor George Sinner proposed using the actual five-year average cost of education for each grade and size category as a fair method of adjusting weighting factors. Although the proposal was not initially adopted, it gradually was blended together with the old factors until, for the 2004-2005 school year, school districts arrived at 100 percent of the five-year average cost of education as the basis for each weighting factor.

Recent efforts have reduced the number of factor categories. Distortion continued to exist because the term "cost" is defined by the Superintendent of Public Instruction as the amount of spending per student actually taking place. In certain categories, high spending school districts with ample resources were adding to the so-called "cost" of education.

### Principles for Change

1) In order to achieve a system of weighting factors that reflects the true cost of education by school district size, the pool of peer school districts must be large

enough to establish an accurate average "cost" of education based on actual five-year data and thereby eliminate distortions.

2) Each school district should have a single school size weighting factor that reflects the relative cost of education for that district. This factor should be applied to the district's average daily membership, which is weighted by all of the other cost factors. This recommendation is based on the understanding that all programs listed in the "Illustration for New Main Formula" (page 19) are more costly to deliver in a smaller school district because of the inherent loss of efficiency.

3) A single weighting factor will replace four separate weighting factors for a K-12 district and two or three weighting factors for a K-6 or K-8 district. Each district's initial composite factor should place it in an appropriate peer group in the case of small or large school districts. The factor for a medium size school district should be determined using a cost continuum that ranges from 1.00 to 1.25.

4) Categories within the medium size group should reflect actual shifts in costs within the group. Trends, rather than individual district figures, should be the main determinant of the step factors.

5) The effect of moving from one step factor to another should be minimized by making the step differences small and frequent.

6) The only reason to change the weighting factor system over time would be to reflect changing trends in the relative costs of delivering education. These potential trends can be monitored over time by the Department of Public Instruction personnel.

## Recommendations

1) The weighting factors for all school districts should be established according to the following table:

### K-12 Weighting Factors by School District Size Category

| A district with Base ADM equal to or greater than: | AND With ADM less than | FACTOR |
|---|---|---|
| 0 | 185 | 1.25 |
| 185 | 200 | 1.24 |
| 200 | 215 | 1.23 |
| 215 | 230 | 1.22 |
| 230 | 245 | 1.21 |
| 245 | 260 | 1.20 |
| 260 | 270 | 1.19 |
| 270 | 275 | 1.18 |
| 275 | 280 | 1.17 |
| 280 | 285 | 1.16 |
| 285 | 290 | 1.15 |
| 290 | 295 | 1.14 |
| 295 | 300 | 1.13 |
| 300 | 305 | 1.12 |
| 305 | 310 | 1.11 |
| 310 | 320 | 1.10 |
| 320 | 335 | 1.09 |
| 335 | 350 | 1.08 |
| 350 | 360 | 1.07 |
| 360 | 370 | 1.06 |
| 370 | 380 | 1.05 |
| 380 | 390 | 1.04 |
| 390 | 400 | 1.03 |
| 400 | 600 | 1.02 |
| 600 | 900 | 1.01 |
| 900 | No limit | 1.00 |

### K-6 and K-8 Weighting Factors by School District Size Category

| A district with Base ADM equal to or greater than: | AND With ADM less than | FACTOR |
|---|---|---|
| 0 | 125 | 1.25 |
| 125 | 200 | 1.17 |
| 200 | No limit | 1.00 |

2) The weighted student unit calculation for each school district should be for the best case result and a guarantee should be provided that the weighted student units are no less than that provided by the highest possible number of ADM in the next category with a lower weighting factor.

3) After the reorganization of two or more school districts, the newly created district should receive for the ensuing four school years, the school size weighting factor that the participating districts would have received had they not reorganized. In the fifth year following reorganization, the newly created district should receive the former weighting factors less 1/3 of the difference from its new weighting factor. In the sixth year following reorganization, the newly created district should receive the former weighting factors less 2/3 of the difference from its new weighting factor. In the seventh year following reorganization, the weighting factor should be established according to the table. For simplicity, the Superintendent of Public Instruction should assign a blended weighting factor at the time of reorganization computed to four decimal places, and use that factor throughout the transition years.

**Legislation Required**

1) Create a new section establishing the weighting factors for school size.

2) Repeal all sections addressing current weighting factors.

3) Create a new section establishing a phase-in period for school districts that have reorganized.

## EQUITY PAYMENT

**Background:**

North Dakota lawmakers have long recognized that disparities exist among the state's school districts in the financial resources available to deliver an education program. The "mill levy deduct" provision was enacted in the 1960s as a first attempt to redirect some state funds from property rich districts to property poor districts. The program has had limited support over a long period of years, primarily because approximately half of all school districts were being asked to contribute a portion of their pro rata share of state financial support to less fortunate school districts. Another weakness has been the fact that mill levies and taxable valuations generally have risen at a faster rate than the mill levy deduct has risen. In other words, the amount of wealth equalization achieved in relation to the amount intended has actually declined over time. Recently, an automatic escalator was enacted. It required an increase of 3 mills per year in the deduct. At that rate, it would take fifty years to equalize the state average General Fund levy of 190 mills. Balancing the amount of funds available among school districts has been an ongoing goal of the Legislative Assembly, although it is not legally required.

In 1995, another equity measure was enacted to provide additional state support to the most needy school districts. This supplemental payment plan provided a payment to any school district that was below the state average valuation per student and below the state average in spending per student. In order to recognize local taxing effort, the formula was based on deficient valuation multiplied by actual mills levied over 150. This plan would have effectively targeted the most needy school districts, but it had certain weaknesses. Less than

half of the dollars needed to fully fund this formula were actually appropriated. In addition, the formula recognized only a portion of the mills actually levied. (Out of 210 mills, only 60 mills are used in the computation.) Furthermore, spending per student is used as a measure of additional wealth. However, some rich districts spend less and some poor districts spend more than the state average per student. Finally, under the formula, only 23 school districts, or just over 10 percent of the total number of school districts, were entitled to receive dollars.

**Principles for Change:**

1) The mill levy deduct should be discontinued because it is viewed by many people as a "tax" on wealthier districts and because it is unlikely to ever receive the political support necessary for it to be the principle means of providing an equitable system of education funding.
2) The supplemental payment plan should be replaced with an equity payment plan that would offset the loss of revenues suffered by any school district whose imputed taxable valuation per student is less than 90 percent of the state average imputed valuation per student, by paying out the revenue lost due to their deficiency in imputed taxable valuation.
3) Calculations made to determine the equity payment should include mineral income and tuition income by imputing these categories of cash revenue into an imputed taxable valuation per student. For districts that have treatment programs

within the district, only the district's regular tuition rate will be used and excess tuition will not be counted.

4) The equity payment should be limited to the district's own tax revenue raised, i.e. taxable valuation multiplied by the general fund mill levy. However, school districts with unusually low amounts of taxable property should be given an assumed minimum amount of taxable valuation and an assumed general fund mill levy.

5) Equity payments should be adjusted in order to discourage districts with low imputed taxable valuations per student from continuing to operate with General Fund mill levies that are below 185 mills.

**Recommendation**: (Refer to the chart and number key on page 33, "Equity Payment Illustration.")

1) Establish an equity payment plan that uses imputed taxable valuation per student as the basis for comparing available resources among districts. Imputed taxable valuation is the taxable valuation of real property plus a theoretical valuation created by dividing 75 percent of a district's cash revenue from minerals and unrestricted tuition by the district's general fund levy. The entire amount of "other" revenue is not used because of the added difficulties of educating large numbers of transitory students.

# EQUITY PAYMENT ILLUSTRATION
## (Based on Dickinson School District Prior Year Data)

| Key | Statewide Information | |
|---|---|---|
| 1. | Taxable Valuation (imputed) | $1,706,813,733.00 |
| 2. | Grades PK-12 Base ADM | 95,883.08 |
| 3. | Valuation Per Student (imputed) | $17,801.00 |
| 4. | 90% of Statewide Average Imputed Taxable Valuation Per Student | $16,020.89 |
| | **Dickinson School District** | |
| 5. | Taxable Valuation (imputed) | $32,519,598.00 |
| 6. | Grades PK-12 Base ADM | 2,531.26 |
| 7. | Taxable Valuation Per Student (imputed) | $12,847.20 |
| 8. | Missing Imputed Valuation Per Student (Line 4 less Line 6) | $3,173.69 |
| 9. | Total Imputed Taxable Valuation Deficiency (Line 8 times Line 6) | $8,033,442.47 |
| 10. | District's General Fund Mill Levy | 185.00 |
| 11. | Equity Payment (Line 9 times Line 10 – up to 185 mills) | $1,486,186.86 |
| 12. | General Fund Tax Revenue | $5,536,169.40 |
| 13. | Equity Payment (Lesser of Line 11 or Line 12) | $1,486,186.86 |
| 14. | Low Mill Levy Adjustment | N/A |
| 15. | Minimum Equity Payment | N/A |

The Equity Payment Plan is calculated as follows:

**Key**

1, 2, & 3) Divide the state's imputed taxable valuation by the state's base ADM for PK-12 to determine the state average imputed taxable valuation per student.

4) Multiply the state average imputed taxable valuation per student by 90 percent.

5, 6, & 7) Divide the district's imputed taxable valuation by the district's base ADM for PK-12 to determine the district's average imputed taxable valuation per student.

8 & 9) If the school district's valuation per student (line 7) is less than 90 percent of the state average valuation per student (line 4), calculate the total valuation deficiency by multiplying the difference in per student valuation (line 8) by the district's base ADM (line 6).

10 & 11) The equity payment is the valuation deficiency (line 9) multiplied by the district's general fund mill levy (limited to 185 mills).

12 & 13) The equity payment may not exceed the school district's annual proceeds from property tax, i.e. its taxable valuation multiplied by its general fund mill levy.

14) If a district has a general fund mill levy that is less than 185 mills, the equity payment must be reduced by an amount equal to the difference

in mills between the district's own general fund mill levy and 185 mills, multiplied by the taxable valuation of the district.

15) If a district has less than 50 percent of the state average imputed taxable valuation per student, its equity payment is not subject to the limitations set forth on line 12, but rather is calculated to be 20 percent of the state average imputed taxable valuation per student multiplied by the district's weighted student units, and that product is multiplied by 185 mills.

2) Appropriate $37.5 million for the 2007-2009 biennium to cover the cost of the equity payment plan.

**Legislation Required**:

1) Repeal sections relating to the mill deduct and the supplemental payment plan.
2) Create a new section to enact the equity payment plan.

## SPECIAL EDUCATION

### Background

On August 31, 1982, U.S. District Court Judge Bruce Van Sickle ruled in ARC v. the State of North Dakota that the State had not met the rights of disabled citizens under the U.S. Constitution. Among other findings, it was held that developmentally disabled children of school age were not receiving their right to a proper education comparable to the education provided to non-disabled children. It was also held that any special accommodations necessary for the education of disabled students must be provided, without exception. Soon thereafter, these findings were affirmed by federal law. This requirement for special accommodations is known as "special education" and has been a distinct program supported by federal and state funds since that time.

Initially, the state developed a program for special education based on a unit reimbursement system, as well as contract reimbursements for high cost students. This approach was in use from the mid-1970s until 1995.

Eventually, complaints began to surface regarding this system. The amount of administrative paperwork increased as school districts were required to justify the amount of financial support needed for each student. School districts were generally motivated by the fact that any services not funded by the state and federal government had to be paid for by the district itself. Another complaint was that school districts received reimbursements without regard to the number of students being served. It was primarily an inequity in the size of the units.

Therefore, in 1995, the special education funding formula was changed. The new formula allocated 25 percent of the available state funds to the cost of contracts under which services are provided for severely disabled students. The other 75 percent of available state funds was distributed proportionately to school districts on the basis of ADM. The principle behind this funding system is that if the costs of the contract reimbursements are fully covered, then the percentage of less severe special needs students in a given population of school age children will over time be roughly equal. In the 2005 Legislative Session, the proportion was adjusted to approximately 70 percent for ADM payments and 30 percent for contracts.

In 2006, Dr. Tom Parrish and Dr. Jennifer J. Harr of the American Institute for Research, conducted a study of special education services in North Dakota. The study found that the distribution of funds by ADM for the non-contract side of the formula was the preferred method and in fact should be merged with General Fund appropriations for greater flexibility, better integration of general and special education services, and therefore greater equity overall.

The Commission has affirmed the Parrish-Harr recommendation to use a merged ADM distribution system for the non-contract part of the formula. To arrive at this conclusion, the Commission itself conducted an analysis regarding the allocation of ADM funds. The state's current reporting system could be used to classify students on the ADM side of the formula into three categories - mild, moderate and severe. A 2006 test was conducted in which a greater weight was given to the moderate disability category and the greatest weight was given to the severe disability category. The cost of this blended funding

approach was then compared to the amount of funds that would be received on a straight "dollars per eligible ADM" allocation using the same amount of state funding. The Commission found that the dollar differences between the two formulas were not significant as a percentage of any district's funding allocation.

A further problem with categorization of students was discovered in the administration of the program: financial rewards encourage the assignment of more severe labels, and there is inequity in assigning the same cost assumption across a whole range of disabilities. The consultants' conclusion was that the state's current ADM distribution system may be as effective as any other method. An ADM system creates no incentive to identify students for special education, and there is no higher funding for one form of placement over another. However, the consultants went on to say that the state's funding of this part of special education is almost certainly inadequate to meet the actual needs of the non-contract special education students.

For the other part of the state's special education system, the contract side of the formula, Dr. Parrish and Dr. Harr recommended that the state pay 90 percent - 100 percent of the excess costs of educating the highest cost 1 percent of special education students. While this assumes a smaller number of students, (i.e. approximately one-half the number of students that currently qualify for excess cost reimbursement), it is intended to fully fund the most severe 1 percent of all cases. Full payment of the "excess costs" will be guaranteed. Currently, the state pays only to the extent of available funds. In certain cases, the reimbursement has been as low as 17 percent of a district's costs.

In order to set the excess cost liability to the state, the consultants also recommended that districts accept more of the base liability for student contracts. Their recommendation to cover the excess costs of educating the highest cost 1 percent of special education students would indicate that districts cover up to 5.0 times the state average per student cost of school-placed students, rather than the current 2.5. This assumes a state appropriation of $56,500,000 for special education. This approach would greatly reduce the amount of paperwork required to file claims for state reimbursement.

The Commission recommends continuing the state's current policy of reimbursing excess costs over 1.0 times the state average cost per student for agency-placed students and guaranteeing full payment.

The Parrish-Harr study also recommended measures to control costs of agency placed students and high cost students. Among the recommendations is the creation of an audit team to test the reasonableness of provider costs, review placements for appropriateness, and accurately separate education costs from other costs.

Finally, the study recommended that special education units be aligned over time with other education service entities, (i.e. educational associations governed by JPAs).

**Principles for Change**

1) In regard to the distribution of state funds to non-contract special education students, the Commission recommends merging special education ADM distributions with general education ADM distributions. After establishing a target percentage for special education as a percentage of total education

funding, the goal should be to move to the target percentage over time. The greatest equity results from full flexibility among funding sources, the integration of general and special education services, and the elimination of competition for funds between the two constituencies.

2) The state should pay 100 percent of the excess costs incurred by the most costly 1 percent of the special education population, (i.e. the contract-based special education students). This would provide school districts with "catastrophic coverage." It would also provide equity by eliminating the necessity for budget reserves to cover the uneven and unexpected charges incurred on behalf of these highest cost students. In order to guarantee reimbursement of these costs, the Legislative Assembly should devise a mechanism to ensure that funds are available for this purpose.

3) In order to ensure full funding of all contracts, the threshold to qualify for excess cost reimbursement of school-placed students should be adjusted to result in the most severe 1 percent of the special education population being fully covered by the state.

4) It does appear that valuable financial resources are being pulled away for agency-placed contracts and for high cost contracts. Rather than establish a costly audit staff with no real authority, the Legislative Assembly should establish an effective means of cost control for these services.

5) Over time, special education units should be made more efficient. There should be fewer in number and they should be aligned with other education

service providers for better coordination and equitable distribution of all education services.

**Recommendations**

1) The Commission recommends that the Legislative Assembly combine special education per student payments with general education per student payments, and raise the special education percentage over time. Because the consultants may be correct in saying that the current funding level is inadequate for most school districts, the Commission recommends an increase of $6 million in state funds over the amount appropriated for the 2005-2007 biennium for special education ADM distribution. This would bring the funding level from $37,000,000 to $43,000,000 per biennium, including funds for Gifted and Talented programs.

2) The Commission recommends that the Legislative Assembly guarantee the excess costs incurred by school districts in serving the top 1 percent of most costly students in the special education population. In order to guarantee these funds, the following steps should be taken in order: 1) Appropriate an amount that accurately reflects the forecasted cost of serving these students and reimbursing 100 percent of the excess costs to school districts; 2) If this amount proves to be deficient, make up the shortfall through a first claim on any surplus state aid available at the end of the biennium; 3) If there are inadequate surplus funds available, make up any shortfall with a special authority to draw funds from the Bank of North Dakota and present a

deficiency request to the 2009 Legislative Assembly. Overall the Commission recommends an increase of $2 million in state funds for special education contracts over the amount appropriated for the 2005-2007 biennium. This would bring the funding level from $15,500,000 to $17,500,000 in state funds per biennium. The Commission recommends that the Legislative Assembly raise the threshold payment required of school districts to the multiplier currently estimated at 4.5 times the state average cost per student, the factor necessary to limit the "excess cost" pool to the most severe 1 percent of students under school-placed contracts. This recommendation assumes a co-pay of 0 percent and it assumes that "allowable costs" exclude equipment and transportation only.

3) The Commission recommends that the Legislative Assembly require the Superintendent of Public Instruction, in cooperation with the Department of Human Services, to develop a schedule of reasonable reimbursement rates for providers of education services and developmentally-disabled services covered by special education contracts. The individual education plan for each student must include regular evaluation of the appropriateness of the placement. The Superintendent of Public Instruction and the Department of Human Services should review together the reasonableness of the amounts being charged, and separate the costs of education services from the cost of developmentally-disabled services.

4) The Commission recommends that the Legislative Assembly reduce the number of special education units in the state. By June 30, 2009, there should be approximately 18 special education units because greater equity can be achieved by forming larger pools of funds for a region. This is desirable not only because of the greater flexibility to move funds to the greatest need, but also because a larger entity allows for efficiencies that result in cost savings. Eventually, the number of special education units will average out to two special education units for every educational association governed by a joint powers agreement (JPA). At that time, special education units should be encouraged to align themselves with educational associations governed by JPAs to coordinate and enhance the delivery of all education services.

**Legislation Required**

1) In the budget bill for the Department of Public Instruction, $43,000,000 would be included in the total amount appropriated for per student payments, of which $400,000 would continue to be earmarked for Gifted and Talented programs. In addition $17,500,000 should be reserved in the total State Aid to Education appropriation for Excess Costs beyond the district's liability for contract services. The narrative should specifically provide that any shortfall in the appropriation should be covered first by surplus State Aid dollars and then authority to draw from the Bank of North Dakota as needed.

2) Legislation should be introduced requiring the Department of Public Instruction to develop a schedule of allowable cost reimbursement rates for providers of education services for agency placed contracts and for high-cost contracts. This should be coordinated with the development of a reimbursement schedule for DD services by the Department of Human Services for the same non-profit providers. The measure should provide that effective July 1, 2008 billings for education services will be forwarded to the Department of Public Instruction and billings for non-education services must be forwarded to the Department of Human Services and the two categories must be accurately separated.

3) Agency-placed regular education students and "state responsible" students will continue to be funded out of the total State Aid funds appropriated.

## CAPITAL IMPROVEMENT EQUITY

### Background

A school funding lawsuit in South Dakota found that some school districts did not have adequate tax bases to finance school capital improvements. All school districts sooner or later face the challenge of a major school remodeling or even an entirely new school building regardless of whether the enrollment in the school district is growing or declining. Reliance on taxable valuation for raising funds for capital improvements creates disparities among districts in their ability to finance these projects.

The typical method of financing capital improvements is to assess a building levy on the taxable property in a school district. If a school district has inadequate taxable valuation, a contemplated building project becomes an even greater challenge. Such a district often has an already high general fund levy and neither its board members nor its patrons are willing to impose even higher taxes for capital improvements. Even when a levy is passed in a low valuation district, it takes more mills over a deficient tax base to raise the same amount of money as an average district could raise.

Several school districts in the state have shown resourcefulness in this area by asking their city councils to help by means of a city sales tax. Although school boards should be praised for this creativity, it demonstrates the difficulty of imposing higher property taxes in districts having limited tax bases. Obvious disparities would exist if school districts had to rely on the varying amounts of taxable sales within their boundaries. The state has a fund to provide low interest loans to qualifying school districts. There is a strong possibility that more loan funds are needed to meet the needs of low tax base districts.

A second and opposite problem has emerged over the years in regard to capital improvements. Some school districts with relatively generous taxable valuations have found the opportunity for capital improvements to be almost too easy. In the 1970s, some districts were seen making large investments without regard to their enrollment outlook or their proximity to other facilities. The Legislative Assembly gave the Superintendent of Public Instruction the authority to require that school districts obtain departmental approval prior to undertaking any school expansion or building project. This mandatory review of a district's needs and options has frequently served as a deterrent against hasty decisions by school boards.

A third problem has been the tendency for school districts with declining enrollment to view their future outlook as a competition for survival. Tales are often told of patrons from one district hoping for the decline of a neighboring district so that the children from the neighboring district will have to attend school in the patron's district. This state of affairs postpones any possibility of reorganization and prevents opportunities for joint future planning by neighboring school districts.

**Principles for Change**

1) The requirement that school districts obtain approval from the Superintendent of Public Instruction for expansion and building projects is an important control to prevent any unwise investments.

2) The current needs-based evaluation system for school districts contemplating a remodeling project, an expansion, or new construction should be coupled with

equity criteria to determine eligibility for an Equity Program for Capital Improvement. Qualifying school districts would receive loan funds at discounted interest rates to cover a majority of the project costs. Districts having greater deficiencies in taxable property would be eligible for greater equity incentives. The Superintendent of Public Instruction would manage guidelines for these funds and a 30-year expected project life would be a minimum requirement.

3) School districts that are working toward reorganization and are willing to jointly plan their future capital spending should be able to access a "Capital Improvement Assistance Program." Under such a program, significant incentives should be provided according to the number of districts involved, the number of students in the participating districts, and the size of the districts. Although the state has no mandatory requirement for school district consolidation, deficiencies in both equity and adequacy may arise as school district enrollments fall below the size needed to provide a high quality, multi-faceted education. Until the Legislative Assembly addresses the possible need for a minimum school district size, incentives are the best way to help school districts manage declining enrollment.

4) Deferred maintenance should be addressed whenever a surplus of state funds develops due to unanticipated revenue growth.

## Recommendations

1) The Commission recommends that the Legislative Assembly develop and implement an equity program for capital improvement. Eligible school districts should receive discounted loan funds from the Coal Development Trust Fund for remodeling, expansion, or construction projects that meet the approval criteria established by the Superintendent of Public Instruction. Eligible school districts should be separated into two categories:

   i) School districts receiving equity payments under the new equity payment formula and having taxable valuations per student that are in the range of 80 percent – 100 percent of the state average actual valuation per student should be eligible to receive:

      a) Up to $7,000,000 of loan funds or 70 percent of all project costs, whichever is less;

      b) Interest discounts of 50 to 200 basis points off the cost of funds depending on the scoring system; and

      c) Principal repayment terms up to 20 years.

   ii) School districts receiving equity payments under the new equity payment formula and having taxable valuations per student that are less than 80 percent of the state average should be eligible to receive:

      a) Up to $8,000,000 of loan funds or 80 percent of all project costs, whichever is less;

b) Interest discounts of 50 to 200 basis points off the cost of funds, depending on the scoring system; and

c) Principal repayment terms up to 20 years.

Borrowing authority from the Coal Development Trust Fund will need to be increased from $40,000,000 to $50,000,000, and any available funds should be eligible for loans to all qualifying school districts. Projects that are eligible for assistance under the equity program for capital improvement should have a value of at least $1,000,000 and an expected project life of at least 30 years.

2) The Commission recommends that the Legislative Assembly enact a capital improvement assistance program to assist school districts that are willing to jointly plan future infrastructure as part of a reorganization. Eligible projects must be reviewed by the Superintendent of Public Instruction and approved based on their useful life, strategic location, and students to be served. School districts that meet the criteria would be eligible for the following incentives:

i) Up to 300 basis points of interest rate buydown on the principal of up to $13,500,000 of school district bond issues or 90 percent of all project costs, whichever is less, provided that the percentage of project costs eligible for loan funds be determined as follows:

1 percentage point for every 10 students added (capped at 50 percent);

5 percentage points for each school district involved; and

5 percentage points for each added 100 square mile increment.

ii) Interest rate buydown payments on bond issues with up to 30-year maturities. Interest rate buydown payments will be made directly to the new school district from an appropriation in the Department of Public Instruction budget bill. The source for the dollars is the interest on the foundation aid stabilization fund.

3) If state revenues exceed projections by $30,000,000 or more at the beginning of the 2008 or 2009 fiscal year, $10,000,000 should be appropriated and distributed to school districts for deferred maintenance.

**Legislation Required**

1) Allow school district capital improvement loans to be drawn from the Coal Development Trust Fund. The loan funds should be targeted to needy school districts as defined by the equity payment formula, and the largest incentives should go to the most needy districts. Minimum project eligibility should be set at $1,000,000 and each project should have an expected project life of at least 30 years. Borrowing authority from the Coal Development Trust Fund will need to be increased to $50,000,000.

2) Establish an incentive program for two or more school districts that jointly plan and carry out capital improvements as part of a reorganization. The program should allow for interest rate buydown funds to be paid directly to the school districts to help service local school bond issues. The amount of the incentive should increase as the number of participating students, school districts, and

square miles increases. The Superintendent of Public Instruction should be granted the authority to draw on the interest from the Foundation Aid Stabilization Fund, within the limits of legislative appropriation.

3) Provide a contingent appropriation of $10,000,000 for deferred maintenance.

## CAREER AND TECHNICAL EDUCATION

### I. Background

The State Board for Career and Technical Education receives approximately $10,000,000 each biennium to support various programs around the state. These dollars are augmented with $9,500,000 from federal sources and are used as a cost share incentive to encourage the establishment and delivery of career and technical education programs by school districts.

Cost share percentages vary by program. Area Career and Technology Education Centers receive 38 percent of all approved costs for comprehensive occupational programs in regional cooperative high schools. By contrast, instructional salaries and extended contracts at individual high schools receive only a 25 percent cost share.

Other programs operated through the State Board include Family and Consumer Science, Technology Education, Career Development, Cooperative Cost Sharing, and Adult Farm Management.

### II. Principles for Change

1) Career and technical education (CTE) funding is not disbursed uniformly across the state. School districts must provide a majority of the funds for career and technical education programs. School districts with greater financial resources tend to have more opportunities to offer career and technical education programs and districts with sufficient numbers of participating students tend to be better able to achieve the efficiencies necessary to run these programs. However, it

appears that the presence or absence of career and technical education programs is directly related to the level of appreciation that exists for such programs in a given school district or group of districts.

2) Attempts to establish Area Career and Technology Centers have met with only partial success. There appear to be two major reasons for this fact: the cost share incentive for area centers has not been strong enough; and there has been no financial assistance to address the upfront cost of establishing a new Area Career and Technology Center.

3) Once a statewide program is established for career and technical education that has the capability of offering opportunities to 90 percent of all high school students through various means, then legislators can begin to discuss the overall level of state funding that should be in place to support such a program.

4) All Area Career and Technology Centers should coordinate their programs with regional economic development and workforce training programs.

5) To the extent possible, new and existing Area Career and Technology Centers should join with educational associations governed by JPAs to deliver career and technical education programs. There should be cooperation with respect to both administration and governance.

## III. Recommendations

1) The Legislative Assembly should improve the uniformity of career and technical education across the state by promoting the development of more Area Career and Technology Centers and by seeking greater cooperation among school districts.

2) The Legislative Assembly should dramatically increase the funding incentives for Area Career and Technology Centers and for the cooperative delivery of career and technical education programs. The Legislative Assembly should add new funding ($800,000) and ask the State Board for Career and Technical Education to reprioritize funding from other existing programs ($500,000).

3) In addition, the Legislative Assembly should provide pilot program funding to the State Board for Career and Technical Education to defray the start-up costs of two new Area Career and Technology Centers. These funds ($1,200,000) should be awarded on a competitive basis according to the number of new programs and the number of new students participating in the programs. State funds for the pilot projects should reimburse 75 percent of the approved costs and 25 percent should be provided by the participating school districts or educational associations governed by JPAs. Priority should be given to an educational association that proposes an area center capable of serving most of the association's members. In such a case, the cost of an administrator may be included. It is envisioned that the first year of the biennium will be dedicated to awarding the pilot project grants and to completing the initial planning stage.

4) The majority of the new and rededicated dollars that are provided for Area Career and Technology Centers and for other cooperative delivery strategies ($1,300,000) should be used as cost share incentives for centers that improve such things as transportation to central facilities having equipment that is shared, outreach delivery through online education and interactive video, and outreach through mobile labs.

5) All Area Career and Technology Centers should be organized to participate with city, county and regional economic development programs.

6) All Area Career and Technology Centers should be organized to participate with all local and regional workforce training initiatives.

## IV. Legislation Required

1) The budget bill for the State Board of Career and Technical Education should include a line item for new pilot area centers. The bill should include cooperation incentives, and guidelines regarding the use of the pilot project funds.

## EDUCATION ASSOCIATIONS GOVERNED BY JOINT POWERS AGREEMENTS (JPA's)

### Background

In the 2003 Legislative Session, educational associations governed by joint powers agreements (JPAs) were endorsed by lawmakers as a way for school districts to obtain education and administrative services through regional cooperation. A list of approved services was developed and a system of state incentives was established under which JPAs could cost share based on the number of services offered to member school districts. JPA governance consisted of a school board member from each participating district. The budget and scope of activity was left to each JPA. State funding for 2003-2005 was $250,000 in contingency funds. In 2005, the Legislative Assembly determined that JPAs were functioning well and provided the cost share program with a General Fund appropriation of $1,000,000 and an additional $1,000,000 from any surplus education dollars available at the end of the biennium. JPAs are expected to receive these funds in June 2007.

Presently, the state has nine JPAs covering 94 percent of the state's enrollment. By the 2007 Legislative Session, this may be as high as 98 percent.

### Principles for Change

1) After much discussion, the Commission concluded that JPAs are a vehicle for the provision of equity and adequacy at the school district level. As student enrollment continues to decline, and as school districts continue to operate shrinking schools, the provision of an adequate education and the achievement of operating efficiency can be greatly enhanced through a regional service delivery

option. This education delivery system becomes even more important in the absence of a required minimum school district size.

2) With projections indicating that North Dakota's Class B schools face a reduction in their current enrollments of one third over the next six to nine years, JPAs may be the only politically acceptable solution to ensure an adequate education for students in these schools. Since the cooperation of all school districts, large and small, is required to make regional service entities truly effective, there is a strong case to be made for developing partnerships between locally governed regional units and the state in order to ensure an adequate education for all students, regardless of school or school district size. These partnerships should be supported with incentive funding to ensure the development of effective, comprehensive, regional service entities.

3) JPAs have great potential for a state like North Dakota. As the Commission examined the future challenges of delivering special education and career and technical education statewide, it was told time and time again that JPAs should be considered as a vehicle for future service delivery. Some of the Commission's recommendations contemplate the use of compatible service districts. It is hoped that members of the Legislative Assembly will take advantage of current opportunities to further the use of JPAs by school districts.

## Recommendations

1) The Commission recommends that the General Fund appropriation for JPAs be increased from $1,000,000 to $2,000,000 to provide increased support for this promising new program.

2) The Commission recommends that JPAs once again be eligible for $1,000,000 from any surplus education dollars available at the end of the 2007-2009 biennium, second only in priority to the excess cost requirements for special education contracts.

3) The Commission recommends that the board chairmen and executive directors of the various JPAs form a working group and make their wishes known to members of the Legislative Assembly.

## Legislation Required

1) The funding line for JPAs should be increased by $1,000,000 over the 2005-2007 amount and the contingency language for an additional $1,000,000 should be included, bringing the total state support to $3,000,000.

## OPTIONAL FUNDING PRIORITIES

The Commission discussed the possibility that the Governor and the Legislative Assembly may determine that the revenue outlook for North Dakota's 2007-2009 budget would allow for an allocation of more than $60,000,000 of new state dollars for elementary and secondary education.

The Commission realizes that its mission as originally ordered by the Governor is to recommend the best possible use of the $60,000,000 in new state funds in order to optimize equity and adequacy for K-12 education. In light of the Governor's budget recommendation of $80,500,000 in new state funds, the Commission is pleased to offer additional recommendations for the additional dollars:

1) Any increase in the distribution from the Common Schools Trust Fund, previously distributed under the tuition apportionment program on the basis of census, will be distributed under the new main formula on a per student basis. These new dollars, currently estimated to be $4,500,000, should not be counted toward the $60,000,000 agreed upon with the plaintiffs because these new dollars would have accrued to the benefit of the state's public schools under any circumstances. The extra dollars will be divided equally between Year 1 and Year 2.

2) An additional $9,000,000 distributed as per student payments, allowing all districts to receive a significant increase in the per student payment in the second year of the biennium. It will also allow more school districts to immediately go "on the

formula" rather than be supported by the minimum growth guarantee on the payment per weighted student unit.

3) An additional $3,000,000 for at-risk children attending full-day kindergarten, allowing the state to make a step forward in support of expanded kindergarten and in support of children who are "at risk." Specifically, for students who are attending a second half day of kindergarten, the state will provide an additional half-day payment (an additional .50 factor under the new formula) for the at risk population in that group. For payment purposes, "at risk" is defined as the percentage of kindergarten children who have been estimated as eligible for free or reduced fee lunch under the federal school lunch program by using the percentage of students eligible for grades 1-6 in that district. For attendance purposes, the school district retains the authority to determine which students may attend the additional half-day session, i.e. at-risk poverty, at-risk academically, or all students.

4) An additional $4,000,000 for special education to be allocated as $3,000,000 for per student distributions and $1,000,000 for contract payments with the multipliers to be adjusted accordingly.

## MOVING TOWARD AN ADEQUACY-BASED SCHOOL FUNDING SYSTEM

### Background

1) North Dakota has a number of statutory requirements for K-12 education, including minimum curriculum and diploma requirements for all students, minimum course offerings for high schools, and minimum days of instruction, hours of instruction per day, and hours of instruction per course.

2) North Dakota also has various requirements for teachers. The Education Standards and Practices Board oversees the licensure of teachers and requires compliance with both state and federal laws regarding teacher qualifications. To be licensed in North Dakota, a teacher must have at least a baccalaureate degree from an approved teacher program and must have completed appropriate major areas of study.

3) North Dakota also supports, through its funding policies, a wide range of programs and services that are considered important enough to receive ongoing state financial support. These programs and services include half-day kindergarten, alternative high schools, summer school, ELL programs, the supervision of home-based instruction, migrant summer school, extended school year, and transportation.

## Principles for Change

In addition to the statutory requirements and state policies, there are a number of informal "expectations" that North Dakotans have of their school districts. The Legislative Assembly should review these public expectations on an ongoing basis and determine which of these should be included in the state's school funding program. Examples of these expectations include:

1) Class size. Research indicates a strong correlation between class size, or student-teacher ratio, and the subsequent educational progress of students, especially in the early grades (K-3). The Commission should seek authority from the Legislative Assembly to determine a maximum number of students per teacher across the various grade levels, and determine the fiscal effect of meeting this standard.

2) Teaching staff. Some research indicates that teachers with more training and more experience achieve better educational outcomes. The Commission should seek authority from the Legislative Assembly to determine whether all school districts could theoretically fund a prototypical teaching staff, with varying levels of qualification and experience, based on the current configuration of districts.

3) Early education. The Commission recommends that the Legislative Assembly provide full funding for all-day kindergarten, within the limits of available funds. The Commission recommends that the Legislative Assembly make an initial step toward this goal by funding payments for at-risk kindergarten students in Year 2 of the biennium as described on page 60 of the report.

4) Career counseling. The Commission recommends that the state provide career counseling to help students link classroom studies to skills they will need in their career choices. The Commission specifically recommends that the state make a major first step by providing funds for a full-time career counselor in each JPA in the state.

5) Special education. Federal law requires that all students with disabilities be provided the same educational opportunity as other students in the "least restrictive environment". It has fallen to the states to ensure that the combination of federal, state and to the extent available, local funds add up to an adequate amount of resources to meet the requirements of federal law. The Legislative Assembly should conduct a study to determine the typical spending pattern for special education across a representative number of districts and analyze the state's relative share of these costs.

6) Curriculum. Career development specialists, as well as the popular media, have arrived at a general consensus that many of the best job opportunities in the future will require the availability of instruction in advanced Math and Science, as well as formal instruction in foreign languages. The Commission should seek authority from the Legislative Assembly to periodically review these changing needs and expectations and make appropriate policy recommendations. Once the policy choices are identified, the Commission should determine the means by which all school districts can access adequate resources to deliver the necessary curriculum.

7) Comparison of total costs to available resources. All requirements of a school district established by law and administrative rules should be analyzed to the extent possible to determine their total cost, and then should be compared to the total financial resources available to the district.

## Recommendations and Further Commission Work

The Commission looks forward to continuing its work in evaluating the components needed to develop a finance system that guarantees a true "adequate" education for every K-12 student in the state.

These components would include:

1) An analysis of the accuracy of all the weighting factors applied to the base per student payment as a measure of the relative cost of educating each student. Further study would probably indicate that adjustments are needed to reflect the added costs of providing education to the various categories of students.
2) Further analysis to determine if there are other weighting factors that should be included to reflect the added costs of other categories of students.
3) A calculation of the approximate spending level per student that would be required to fund the needs of every school district in the state as prescribed by the weighted student units developed in steps 1 and 2.

The final step in the process would be to determine how the spending would be supported, using all available sources, including federal dollars, property tax revenue, county

income, tuition income, and state dollars. An analysis should be conducted to determine a proper balance of funding sources.

The Commission's goal is to determine the necessity of having state funds make up any deficiency in the funds available to meet the "adequate" spending level defined as the spending required by law and administrative rule.

All of these are potential scenarios and are presented only to illustrate how the Commission might contribute to the process of further improving the state's system of financing K-12 education.

Exhibit A

STATE OF NORTH DAKOTA

COUNTY OF WILLIAMS

IN DISTRICT COURT

NORTHWEST JUDICIAL DISTRICT

WILLISTON PUBLIC SCHOOL DISTRICT NO. 1, et al.,

Plaintiffs,

vs.

STATE OF NORTH DAKOTA; et al.,

Defendants.

**AGREEMENT TO STAY LITIGATION**

**Civil No. 03-C-507**

---

A. **Parties**

This Agreement to Stay Litigation (Agreement) is made and entered into by and between the Plaintiffs and Defendants as identified in the caption of the Amended Complaint.

B. **Recitals**

The following recitals form the basis of this Agreement:

1. On October 10, 2003, plaintiffs served a Summons and Complaint upon the defendants (this Action). The Complaint was amended by Stipulation to Amend Complaint dated December 16, 2003, and Order entered December 23, 2003. The Amended Complaint requests declaratory judgment declaring that the North Dakota public school finance system for elementary and secondary schools violates the North Dakota Constitution.

2. The Defendants have denied and continue to deny Plaintiffs' claims that the North Dakota public school finance system for elementary and secondary schools violates the North Dakota Constitution.

3. The parties have each determined independently that it is desirable and beneficial for them and for the citizens of the State of North Dakota to stay this Action and provide the North Dakota Legislative Assembly the opportunity to settle, compromise, and resolve this Action in the manner and on the terms and conditions set forth in this Agreement.

C. **Agreements**

The undersigned parties agree to stay this Action on the terms and conditions set forth in this Agreement, and agree that:

1. This Agreement is a compromise of doubtful and disputed claims, and the existence of this Agreement and its terms may not to be construed as an admission on the part of the Defendants of any of the allegations in the Amended Complaint. The Defendants deny the allegations in the Amended Complaint and merely intend to avoid further litigation. Neither can this Agreement be construed as a change of position by the Plaintiffs. Plaintiffs continue to stand by each and every allegation in the Amended Complaint and merely intend to avoid further litigation.

2. The parties agree that the existence of this Agreement and its terms may not be used as evidence in this Action or any other action involving any of the parties to this Agreement.

3. Upon the execution of this Agreement, the Governor will issue an Executive Order, in the form attached as Exhibit A to this Agreement, creating a North Dakota Commission on Education Improvement (Commission).

4. The parties agree that any statements, actions, reports, recommendations, or decisions of the Commission, and its members in their capacity as members of the Commission, shall not be considered admissions by any party.

5. The proposed Executive Budget for the 2007 legislative session will include at least $60 million of additional state funds for elementary and secondary education programs over the amount appropriated by the 2005 Legislative Assembly.

6. The parties acknowledge that the Executive Budget constitutes a proposed budget by the Governor to the North Dakota Legislative Assembly, and that the Executive Budget is not binding on the North Dakota Legislative Assembly. The parties specifically acknowledge that the North Dakota Legislative Assembly determines the final budget for the State of North Dakota.

7. The parties agree that any and all claims in this Action as set forth in the pleadings against the Defendants shall be stayed until the close of the 2007 legislative session. The attorneys shall file the Stipulation for Stay and an Order for Stay in substantially the same forms as Exhibit B and Exhibit C attached hereto.

8. Plaintiffs waive any claims they may have against the Defendants for recovery of their costs and attorneys' fees incurred in this Action through the date of Plaintiffs' execution of this Agreement.

9. The parties agree that at the close of the 2007 legislative session, plaintiffs will dismiss this Action without prejudice if the 2007 North Dakota Legislative Assembly ratifies this Agreement by (1) appropriating at least $60 million of additional state funds for elementary and secondary education programs over the amount appropriated by the 2005 Legislative Assembly; and (2) passing a resolution adopting the North Dakota Commission

on Education Improvement as a vehicle for proposing improvements in the system of delivering and financing public elementary and secondary education. The parties further agree that the dismissal without prejudice will be without costs, disbursements, or attorneys' fees to any party.

10. If the conditions of paragraph C(9) are met and this Action is dismissed without prejudice, the plaintiffs agree that they will not commence another action based upon the same or similar allegations in the Amended Complaint until at least after the close of the 2009 legislative session.

11. There are no covenants, promises, undertakings or understandings outside of this Agreement other than as specifically set forth herein.

12. Each of the undersigned parties acknowledge that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted. Each of the undersigned parties also acknowledge and represent that they have been represented by counsel in connection with their respective considerations and the execution of this Agreement. Each of the undersigned parties further represent and declare that in executing this document they have relied solely upon their own judgment, belief, and knowledge and the advice and recommendation of their own independently selected counsel concerning the nature, extent, and duration of their rights and claims, and that they have not been influenced to any extent whatsoever in executing this document by the representations or statements except those referred to or contained in this document.

13. By signing this Agreement, the undersigned superintendents acknowledge that they have authority to sign this Agreement on behalf of their respective school boards.

14. This Agreement shall be governed by the substantive laws of the State of North Dakota.

Dated this _____ day of _____, 2005.

Crowley, Haughey, Hanson,
Toole & Dietrich P.L.L.P.

By: _____
Shane D. Peterson
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113 East Broadway
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Williston, ND 58802-1206
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State of North Dakota
Wayne Stenehjem
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By: _____
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Telephone (701) 328-3640
Facsimile (701) 328-4300

Attorneys for Defendants.

Williston Public School District No. 1

By: _____
Warren Larson, Superintendent

By: _____
Gene A. Johnson, for and on behalf of himself and his children, K. J. J. and B.C. J.

By: _____
Tamara J. Johnson, for and on behalf of herself and her children, K. J. J. and B.C. J.

By: _____
Jeff L. Nehring, for and on behalf of himself and on behalf of his children, C.N. and C.N.

State of North Dakota

By: _____
John Hoeven
Governor

State of North Dakota
Department of Public Instruction

By: _____
Wayne G. Sanstead
Superintendent

State of North Dakota
Treasurer

By: _____
Kelly L. Schmidt
Treasurer

State of North Dakota
Office of Management and Budget

Exhibit B

State of
# North Dakota
*Office of the Governor*

John Hoeven
*Governor*

## EXECUTIVE ORDER 2006-01
### Creation of the North Dakota Commission on Education Improvement

**WHEREAS**, Article VIII, Section 1 of the North Dakota Constitution provides that the Legislative Assembly "shall make provision for the establishment and maintenance of a system of public schools which shall be open to all children of the state of North Dakota"; and

**WHEREAS**, the Legislative Assembly has made provision for the establishment and maintenance of a system of public schools by adoption of N.D.C.C. title 15.1; and

**WHEREAS**, demographics, technology, and educational practices are continually changing; and

**WHEREAS**, an examination of the current system of delivering and financing public elementary and secondary education may result in recommendations to improve the current system of delivering and financing public elementary and secondary education;

**NOW, THEREFORE**, I, John Hoeven, by the authority vested in me as Governor of the State of North Dakota, by Article V, Section 1 of the North Dakota Constitution, order the following:

There is created the "North Dakota Commission on Education Improvement", which shall consist of the following members to be appointed by the Governor:

- The Governor, or the Governor's designee, serving as Chairman.
- A school administrator of a K-12 district having more than 1,000 students in attendance. Initially, this position shall be filled by the current Superintendent of Williston Public School District No. 1.
- A school administrator of a K-12 district having more than 220 but less than 1,000 students in attendance. Initially, this position shall be filled by the current Superintendent of Grafton Public School District No. 3.
- A school administrator of a K-12 district having less than 220 students in attendance.
- A School District Business Manager.
- The chairperson of the Senate Education Committee.
- The chairperson of the House Education Committee.
- The Senate Minority leader.
- A legislator designated by the chairman of the Legislative Council.
- The North Dakota Superintendent of Public Instruction or a designated Assistant Superintendent.

600 E Boulevard Ave
Bismarck, ND 58505-0001
Phone: 701.328.2200
Fax: 701.328.2205
www.nd.gov

Ad hoc members shall include:

- A representative of the North Dakota School Board Association.
- A representative of the North Dakota Education Association.
- A representative of the North Dakota Council of Education Leaders.

Ad hoc members may participate in all discussions and deliberations of the Commission, but shall not have voting authority.

Voting members may send a substitute member, who shall have full voting rights, in the event they are unable to attend a meeting in person.

Decisions of the Commission: The Commission is encouraged to reach decisions by consensus of its members. In the event consensus cannot be reached, a final decision on recommendations of the Commission must be adopted by eight voting Commission members. Procedure decisions will be made by a simple majority.

Terms of each member shall be open-ended and continue for so long as that member continues in the categorical position for which he or she was selected.

Replacement of Commission members: The Governor shall name replacements of members from the respective categories of membership. If a school administrator is to be replaced, the Commission's remaining administrative members shall recommend to the Governor a replacement from a similar sized school district.

The Commission is authorized to perform the following tasks:

1. Provide periodic reports to the Governor.
2. Examine the current system of delivering and financing public elementary and secondary education.
3. Propose a resolution for consideration by the 2007 North Dakota Legislative Assembly that would adopt the Commission as a vehicle for proposing improvements in the system of delivering and financing public elementary and secondary education.
4. Submit to the Governor and the North Dakota Legislative Assembly, including the interim education committee, a report that provides recommendations on how to improve the current system of delivering and financing public elementary and secondary education, including addressing the adequacy of education, the equitable distribution of state education funds, and the allocation of funding sources between the state and local school districts.
5. Based upon the report submitted pursuant to paragraph 4, by the 2009 Legislative Session, submit to the Governor and Legislative Assembly, including the interim education committee, a proposed bill that would implement the Commission's recommendations on how to improve the current system of delivering and financing public elementary and secondary education.

Statements, actions, reports, recommendations, or decisions of the Commission, and its members in their capacity as members of the Commission, are not statements, actions, reports, recommendations, decisions or positions of the state of North Dakota unless specifically approved by the Governor and the North Dakota Legislative Assembly.

Executed at Bismarck, North Dakota, this 10th day of January 2006.

John Hoeven, Governor

Attest:

Alvin A. Jaeger, Secretary of State

Deputy

# EXHIBIT C

## 2007-2009
## Proforma State Aid to Education

| | | January Adjustments |
|---|---|---|
| Transportation | $ 33,500,000 | |
| Special education contract payments | $ 16,500,000 | + $ 1,000,000 |
| Joint powers agreements | $ 2,000,000 | |
| Career and technical education | $ 12,517,216 | |
| Formula payments | $ 704,565,879 | + $ 19,500,000 |
| | $ 768,583,095 | + $ 20,500,000 |
| **Formula Payments** *(sources of funds)* | | |
| Per student foundation aid (2005-2007) | $ 484,053,759 | |
| Tuition apportionment (2005-2007) | $ 71,600,000 | |
| Teacher compensation payments (2005-2007) | $ 50,912,120 | |
| Supplemental payments (2005-2007) | $ 5,000,000 | |
| Special education ADM payments (2005-2007) (includes $400,000 for Gifted and Talented programs) | $ 37,000,000 | |
| Special education ADM payment growth | $ 3,000,000 | + $ 3,000,000 |
| Per student payment growth | $ 36,500,000 | + $ 17,777,000 |
| Equity payments (new) | $ 37,500,000 | |
| Other equity adjustments (rounded) | $<21,000,000> | - $ 447,000 |
| | $ 704,565,879 | + $ 19,500,000 |

## EXHIBIT C
**(continued)**

# Other Equity Adjustments

| | | January Adjustments |
|---|---|---|
| Ending fund balance | $ <1,394,000> | |
| High valuation offset | $<19,495,256> | + $ 4,066,000 |
| Minimum levy offset | $ <8,692,552> | + $ 5,206,786 |
| Transition minimum payment | $ 17,360,822 | - $ 7,318,306 |
| Transition maximum payment | $ <8,826,368> | - $ 488,194 |
| | | + $ 1,466,286 |
| | $<21,019,538> | $<19,553,252> |

511 N.W.2d 247, 88 Ed. Law Rep. 1184

Supreme Court of North Dakota.

BISMARCK PUBLIC SCHOOL DISTRICT # 1 and the following taxpayers and parents residing in and their children enrolled in Bismarck Public School District # 1: Jeff Geiger, individually and as parent of Matthew Geiger; Sandy Horst, individually and as parent of Jacki Horst and Jessica Horst; George Keiser, individually and as parent of Sarah Keiser; Quentin Wangler, individually and as parent of Nicholas Wangler; Robert Penne, individually and as parent of Jonathan Penne; Gary Christenson, individually and as parent of Brandon Christenson; Karen Hoovestal, individually and as parent of Mark Hoovestal and Keith Hoovestal; Devils Lake Public School District # 1 and the following taxpayers and parents residing in and their children enrolled in Devils Lake Public School District # 1: Jay Klemetsrud, individually and as parent of Eric Klemetsrud; Paul Goulding, individually and as parent of Thomas Goulding; Dickinson Public School District # 1 and the following taxpayers and parents residing in and their children enrolled in Dickinson Public School District # 1: Dennis W. Johnson and Nancy Jo Johnson, individually and as parents of Timothy Johnson, Amie Johnson and Christopher Johnson; Phyllis Dvorak and Alvin L. Dvorak, individually and as parents of Eric Dvorak, Jason Dvorak and Deidra Dvorak; LeRoy Fettig, individually and as parent of Alicia Fettig; Lawrence A. Gardner and Marty Odermann, individually and as parents of Megan Gardner; Grafton Public School District # 3 and the following taxpayers and parents residing in and their children enrolled in Grafton Public School District # 3: Roger Moe, individually and as parent of James Moe and Susan Moe; Mandan Public School District # 1 and the following taxpayers and parents residing in and their children enrolled in Mandan Public School District # 1: Pamela Engelhardt, individually and as parent of Levi Engelhardt; Herman A. Schafer, individually and as parent of Robert Schafer and Tamera Schafer; Surrey Public School District # 41 and the following taxpayers and parents residing in and their children enrolled in Surrey Public School District # 41: Wayne Lukenbach and Roberta Lukenbach, individually and as parents of Gregory Lukenbach; Linda Jung and Gary Jung, individually and as parents of Ezra Jung, Aaron Jung, Nathan Jung, Daniel Jung and David Jung; West Fargo Public School District # 6 and the following taxpayers and parents residing in and their children enrolled in West Fargo Public School District # 6: Dennis W. Braaten and Carol A. Braaten, individually and as parents of Darcy Lynn Braaten; Roger Larsen and Chris Larsen, individually and as parents of Alexia Larsen, Lindsey Larsen, and Matthew Larsen; Dennis S. Gullickson and Tammy S. Gullickson, individually and as parents of Kelly R. Gullickson; Valley City Public School District # 2 and the following taxpayer and parent residing in and his children enrolled in Valley City Public School District # 2: Luther Skogen, individually and as parent of Sarah Skogen and Matthew Skogen; Grand Forks Public School District # 1 and the following taxpayer and parent residing in and her children enrolled in Grand Forks Public School District # 1: Nikki Seabloom, individually and as parent of Jeff Seabloom and Gregory Seabloom,

Plaintiffs and Appellees,

v.

The STATE of North Dakota, acting By and Through The NORTH DAKOTA LEGISLATIVE ASSEMBLY; Rosemarie Myrdal, President of the Senate; Rick Berg, Speaker of the House of Representatives; Ed Schafer, Governor; Wayne Sanstead, North Dakota Superintendent of Public Instruction; Kathi Gilmore, Treasurer; and Rod Backman, Director of the Office of Management and Budget, Defendants and Appellants.

Civ. No. 930079.

Jan. 24, 1994.

Taxpayers brought suit, claiming that statutory system for financing public schools violated their equal protection rights. The District Court, Burleigh County, William F. Hodny, J., entered judgment for taxpayers and appeal was taken. The Supreme Court, Neumann, J., held that: (1) intermediate scrutiny analysis would be applied to equal protection claim; (2) effect of legislature's statutory method for distributing funding, based upon property taxes, did not bear sufficiently close correspondence to

SF 4/17/07

constitutional goals of providing an equal educational opportunity, and of supporting elementary and secondary education from state funds based on educational cost per pupil, but the Court was nonetheless precluded from declaring the statutory scheme unconstitutional, because the Constitution requires four members of the Court to declare a statute unconstitutional, and only three were prepared to so declare; and (3) district court violated separation of powers principle by retaining jurisdiction and issuing specific orders as to how educational disparities were to be rectified.
Affirmed in part; reversed in part.
VandeWalle, C.J, dissented in part and filed opinion.
Sandstrom, J., dissented and filed opinion.

West Headnotes

[1] KeyCite Notes

106 Courts
106II Establishment, Organization, and Procedure
106II(I) Quorum of Judges
106k101 k. In General. Most Cited Cases

State Supreme Court was precluded from declaring statutory scheme for financing public education unconstitutional; Constitution required four members of court to declare a statute unconstitutional, and only three were prepared to so declare. Const. Art. 6, § 4.

[2] KeyCite Notes

92 Constitutional Law
92II Construction, Operation, and Enforcement of Constitutional Provisions
92k11 General Rules of Construction
92k18 k. Relation to Former or Other Constitutions or Statutes. Most Cited Cases

State Constitution may afford broader rights than those granted under equivalent provision of Federal Constitution.

[3] KeyCite Notes

92 Constitutional Law
92XI Equal Protection of Laws
92k211 Nature and Scope of Prohibitions in General
92k211(2) k. Legislative Classification in General. Most Cited Cases

State guarantees of equal protection do not prohibit legislative classifications or mandate identical treatment of different categories of persons; they do, however, subject legislative classifications to different standards of scrutiny, depending upon right that may be infringed by challenged classification. Const. Art. 1, §§ 21, 22.

[4] KeyCite Notes

92 Constitutional Law
92XI Equal Protection of Laws
92k213.1 Bases for Discrimination Affected in General
92k213.1(2) k. Rational or Reasonable Basis; Relation to Object or Compelling Interest. Most Cited Cases

When statute is challenged on equal protection grounds, court will apply strict scrutiny to an inherently

suspect classification or infringement of fundamental right and strike down challenged statutory classification unless it is shown that statute promotes compelling governmental interest and that distinctions drawn by law are necessary to further its purpose. Const. Art. 1, §§ 21, 22.

[5] KeyCite Notes

92 Constitutional Law
92XI Equal Protection of Laws
92k213.1 Bases for Discrimination Affected in General
92k213.1(1) k. In General. Most Cited Cases

When statute is challenged on equal protection grounds and "important substantive right" is involved, courts will apply an intermediate standard of review which requires close correspondence between statutory classification and legislative goals. Const. Art. 1, §§ 21, 22.

[6] KeyCite Notes

92 Constitutional Law
92XI Equal Protection of Laws
92k213.1 Bases for Discrimination Affected in General
92k213.1(2) k. Rational or Reasonable Basis; Relation to Object or Compelling Interest. Most Cited Cases

When statute is challenged on equal protection grounds, and no suspect class, fundamental right, or important substantive right is involved, courts apply rational basis standard and sustain legislative classification unless it is patently arbitrary and there is no rational relationship to legitimate government purpose. Const. Art. 1, §§ 21, 22.

[7] KeyCite Notes

345 Schools
345II Public Schools
345II(L) Pupils
345k148 Nature of Right to Instruction in General
345k148(1) k. In General. Most Cited Cases

Right to education is fundamental right under State Constitution. Const. Art. 8, §§ 1, 2.

[8] KeyCite Notes

92 Constitutional Law
92XI Equal Protection of Laws
92k242.2 Regulations Affecting Schools and **Education**
92k242.2(2) Districts; School Funds, Taxes, and Financial Management
92k242.2(2.1) k. In General. Most Cited Cases

Question of whether method of financing public schools, through ad valorem property taxation, violated state equal protection guarantees in that it created different classes of schools depending upon whether particular district was "property wealthy" or "property poor," would not be analyzed under "strict scrutiny" test requiring that funding scheme be shown to promote compelling government interest and that distinctions drawn be proven necessary to further government purpose; there were difficult questions of local and statewide taxation, fiscal planning, and education policy ill-suited for strict scrutiny analysis. Const. Art. 1, §§ 21, 22; NDCC 15-44-01 et seq., 15-59- 01 et seq., 15-59.2-01 et

seq.

[9] KeyCite Notes

92 Constitutional Law
92XI Equal Protection of Laws
92k213.1 Bases for Discrimination Affected in General
92k213.1(1) k. In General. Most Cited Cases

92 Constitutional Law KeyCite Notes
92XI Equal Protection of Laws
92k213.1 Bases for Discrimination Affected in General
92k213.1(2) k. Rational or Reasonable Basis; Relation to Object or Compelling Interest. Most Cited Cases

In determining appropriate level of scrutiny to be given classification challenged on equal protection grounds, intermediate level, requiring close correspondence between statutory classification and legislative goals, is applied to classifications completely preventing class of injured persons from maintaining action to recover for their injuries, while "rational basis" scrutiny, requiring that there be only a rational relationship to legitimate government purpose, is applied to statutory classifications which involve economic or social matters and do not deprive class of plaintiffs from access to courts. Const. Art. 1, §§ 21, 22.

[10] KeyCite Notes

92 Constitutional Law
92XI Equal Protection of Laws
92k242.2 Regulations Affecting Schools and **Education**
92k242.2(2) Districts; School Funds, Taxes, and Financial Management
92k242.2(2.1) k. In General. Most Cited Cases

Question of whether method of financing public schools, through ad valorem taxation, violated state equal protection rights by creating different classes of school districts depending upon property values within district, would be resolved by using intermediate level of scrutiny, under which state was required to establish close correspondence between statutory classification and legislative goals. Const. Art. 1, §§ 21, 22.

KeyCite Notes
[11]

92 Constitutional Law
92XI Equal Protection of Laws
92k242.2 Regulations Affecting Schools and **Education**
92k242.2(2) Districts; School Funds, Taxes, and Financial Management
92k242.2(2.1) k. In General. Most Cited Cases

For purposes of determining whether method of financing school districts violated equal protection provisions of State Constitution, all taxes for educational purposes, including local property taxes would be deemed state taxes. Const. Art. 1, §§ 21, 22.

[12] KeyCite Notes

92 Constitutional Law

92XI Equal Protection of Laws
92k242.2 Regulations Affecting Schools and **Education**
92k242.2(2) Districts; School Funds, Taxes, and Financial Management
92k242.2(2.1) k. In General. Most Cited Cases

345 Schools KeyCite Notes
345II Public Schools
345II(A) Establishment, School Lands and Funds, and Regulation in General
345k16 School Funds
345k19 Apportionment and Disposition
345k19(1) k. In General. Most Cited Cases

State statutory system, providing for funding of schools to ad valorem taxes, did not bear necessary close correspondence to goals of providing equal educational opportunity, and of supporting elementary and secondary education from state funds based on education cost per pupil, even though statutes provided for a deduction from amount of state aid received by school districts which was directly proportional to the amount of taxable property within district; deduction was insufficient to prevent gross disparities in per pupil expenditures and to deny students in poorer districts educational opportunities to which they were entitled. Const. Art. 1, §§ 21, 22; Art. 8, §§ 1, 2; NDCC 15-40.1-01 et seq.

[13] KeyCite Notes

92 Constitutional Law
92III Distribution of Governmental Powers and Functions
92III(B) Judicial Powers and Functions
92k70 Encroachment on Legislature
92k70.1 In General
92k70.1(7) Particular Subjects, Application to
92k70.1(7.1) k. In General. Most Cited Cases

Separation of powers doctrine precluded district court, which had held that statutory method for distributing funding for education was unconstitutional, from retaining jurisdiction and issuing specific compliance orders.
***250** Calvin N. Rolfson (argued), of Rolfson Schulz Lervick Law Offices, Bismarck, David C. Long (argued), Mill Valley, CA and Clark J. Bormann (appearance), of Bormann Law Office, Bismarck, for plaintiffs and appellees.
Laurie J. Loveland (argued), Sol. Gen., Mary Norum Hoberg (appearance), Sp. Asst. Atty. Gen., and Karrie Helm (appearance), Legal Asst., Attorney General's Office, Bismarck, for defendants and appellants.

NEUMANN, Justice.

[1] Article VI, Section 4 of the North Dakota Constitution requires at least four members of this Court to declare a statute unconstitutional. [FN1] Because only three members of this Court have joined in this opinion, the statutory method for distributing funding for primary and secondary education in North Dakota is not declared unconstitutional by a sufficient majority.

FN1. Art. VI, § 4, N.D. Const., provides:

"A majority of the supreme court shall be necessary to constitute a quorum or to pronounce a decision, provided that the supreme court shall not declare a legislative enactment unconstitutional unless at least four of
the members of the court so decide."

We hold that the funding of the previously recognized fundamental constitutional right to education, *see, e.g.*, State v. Rivinius, 328 N.W.2d 220 (N.D.1982), *cert. denied*, 460 U.S. 1070, 103 S.Ct. 1525, 75 L.Ed.2d 948 (1983), and other cases cited herein, is an important substantive right. We further hold that the widely disparate effect of the State's method of accomplishing this important substantive right fails to bear a close correspondence to the achievement of the constitutionally mandated goal of an equal educational opportunity, which was previously recognized by this Court in Lapp v. Reeder Public School District, 491 N.W.2d 65, 67 (N.D.1992), and in *In* Interest of G.H., 218 N.W.2d 441, 447 (N.D.1974).

In this appeal, we consider the constitutionality of North Dakota's statutory method ***251** for distributing funding for public elementary and secondary schools. The trial court held that the distribution method was unconstitutional and retained jurisdiction to monitor and enforce compliance with its decision. We affirm the trial court's declaration that the distribution method, as a whole, is unconstitutional, but we reverse the court's retention of jurisdiction.

In June 1989, nine public high school districts and thirty-one resident taxpayers and parents of children who attend public school in those districts [hereinafter collectively referred to as plaintiffs], brought this action for declaratory relief against the State and the legislative and executive officials constitutionally charged with establishing and maintaining North Dakota's public elementary and secondary schools [hereinafter collectively referred to as defendants]. The plaintiffs challenged the constitutionality of the statutory method for distributing funding to public schools, alleging it was based predominantly upon each school district's property tax base, which resulted in these nine "property poor" school districts and their pupils receiving fewer educational resources per pupil than "property wealthy" school districts. The plaintiffs alleged that the statutory method for distributing funding for education, as a whole, failed to equalize local property tax disparities and resulted in substantial inequities in educational opportunities in property poor districts in violation of the education [Article VIII, §§ 1 and 2], and equal protection [Article I, §§ 21 and 22], provisions of the North Dakota Constitution.

The district court held that the statutory method for distributing funding for education violated both the education and the equal protection provisions of our state constitution, and retained jurisdiction to monitor the enactment of a constitutional method for distributing funding. The defendants appealed.

I

Relying on Dickinson Pub. School Dist. v. Sanstead, 425 N.W.2d 906 (N.D.1988), and County of Stutsman v. State Historical Society, 371 N.W.2d 321 (N.D.1985), the defendants assert that the nine school districts, as political subdivisions, do not have standing to challenge the constitutionality of the statutory method for distributing funding for public education.

In *Sanstead,* this court concluded that NDCC ch. 15-40.1 [State School Aid] did not create an express contract between the State and local school districts for state foundation aid. We thus held that a school district's action against the State for "compensatory damages" for the alleged failure to properly calculate past foundation aid payments was not one arising upon contract and was barred by the doctrine of sovereign immunity. We indicated that "state aid to local school districts is a mere gratuity." *Sanstead, supra,* 425 N.W.2d at 910. *See also* Zenith School District No. 32 v. Peterson, 81 N.W.2d 764, 768 (N.D.1957). In *County of Stutsman,* this court held that Stutsman County, as a political subdivision of the state, could not successfully assert that the state had violated its constitutional rights, because a county is a creature of the constitution and is not a person or private party under the applicable constitutional provisions.

School districts are political subdivisions created by the state. Baldwin v. Board of Education, 76 N.D. 51, 33 N.W.2d 473 (1948); NDCC § 15-47-43. For purposes of challenging the constitutionality of the statutory method for distributing funding for education, *County of Stutsman* and *Sanstead* suggest that the nine plaintiff school districts do not have standing to raise those issues. *But see* Application of Otter Tail Power Co., 451 N.W.2d 95, 97 (N.D.1990), and State v. Woodworth, 234 N.W.2d 243, 249 (N.D.1975) ["weighty countervailing policies" may authorize standing to assert another party's rights]. *See also* Metropolitan Sports Facilities Commission v. County of Hennepin, 451 N.W.2d 319, 321 (Minn.1990) [case must involve "substantial public interest" for governmental unit to have standing to challenge constitutionality of statute under which it operates]. However, the defendants concede that the remaining plaintiffs have standing to challenge the constitutionality of the statutory method for distributing funding for education. Accordingly, it is not necessary for us to resolve the standing issue.

***252** II

Before evaluating the parties' constitutional arguments, we trace the contours of the statutory method for distributing funding for public elementary and secondary education in North Dakota, keeping in mind that the State is responsible for implementing our public school system, and that all taxes for education purposes, including local property taxes, are State taxes. Dornacker v. Olson, 248 N.W.2d 844 (N.D.1976); State ex rel. Haig v. Hauge, 37 N.D. 583, 164 N.W. 289 (1917).

A.

North Dakota has four types of school districts: high school districts which offer instruction in kindergarten through twelfth grade; elementary districts which offer instruction in kindergarten through sixth or eighth grade; rural districts which usually offer instruction to small enrollments in one classroom with one teacher; and nonoperating districts which do not offer instruction and which pay tuition for children residing within their borders to attend school in a neighboring district.

During the 1990-1991 school year, approximately 118,000 students attended public elementary and secondary schools in 269 school districts in North Dakota. Total enrollments ranged from 10,625 students in the Bismarck high school district to no students in some nonoperating districts. The plaintiff school districts generally have some of the state's largest total enrollments with Bismarck, 1st with 10,625 students; Grand Forks, 3rd with 9,227 students; West Fargo, 5th with 4,267 students; Mandan, 6th with 3,589 students; Dickinson, 7th with 3,144 students; Devils Lake, 10th with 2,016 students; Valley City, 13th with 1,399 students; Grafton, 14th with 1,153 students; and Surrey, 58th with 382 students.

The statutory method for distributing funding for public schools uses a mix of revenues from state, local, and federal sources. The trial court found that, excluding $26 million in federal revenue earmarked for specific purposes, school districts in North Dakota incurred approximately $417 million in operating expenses during the 1990-1991 school year. Of that $417 million, state sources of revenue were $220 million (52.8%), school district sources of revenue were $182 million (43.6%), county sources of revenue were $8.6 million (2.1%), and unrestricted federal sources of revenue were $6 million (1.5%). [FN2]

FN2. Federal sources of revenue include: (1) federal "874" impact aid (Public Law 81-874, 20 U.S.C. § 240); (2) federal funds under an act to promote the mining of coal on the public domain (NDCC § 15-40.1- 13; 30 U.S.C. § 181 et seq.); (3) federal funds under the Taylor Grazing Act (43 U.S.C. § 315i); and (4) miscellaneous other sources such as Johnson-O'Malley funds (25 U.S.C. §§ 452-457).

The two primary sources of funding for education are a local ad valorem property tax and state foundation aid. During the 1990-1991 school year, local property taxes generated about 82% of the $182 million in local revenue and state foundation aid constituted about 76% of the $220 million in state revenue.

The local property tax is levied on each school district's taxable property value as assessed and equalized by each county. *See* NDCC §§ 57-15-14 through 57-15-14.4. North Dakota school districts vary widely in the value of assessed property per pupil and in the tax burden on district residents. As a result of those variations, some "property wealthy" school districts can raise more revenue per pupil with a smaller mill levy than other "property poor" school districts.

During the 1991-1992 school year, the value of assessed property per pupil ranged from $77,745 per pupil in the Spiritwood school district to $145 per pupil in the Belcourt school district, and the mill levies ranged from 261.07 in the Bell elementary school district to zero in the Belcourt high school district, the Twin Buttes elementary district, and the Earl, Horsecreek, and Springbrook rural districts. Five non-operating districts also had a mill levy of zero. During that year, the statewide average taxable property value was $7,870 per pupil and the mean average mill levy for all school districts was 186.89. All of the plaintiff school districts had lower assessed property ***253** values per pupil and higher mill levies than the state averages. The plaintiff school districts' assessed value of property per pupil and school mill levies were: Bismarck--$6,172 per pupil and 248.68 mills; Devils Lake-- $5,541 per pupil and 190.74 mills; Dickinson--$4,293 per pupil and 227.97 mills; Grafton--$6,802 per pupil and 221.56 mills; Grand Forks--$7,031 per pupil and 226.52 mills; Mandan--$5,795 per pupil and 187.57 mills; Surrey-- $3,655 per pupil and 213.66 mills; Valley City--$6,401 per pupil and 209.51 mills; and West Fargo--$7,457 per pupil and 225.17 mills.

The other major source of state funds for education, foundation aid, is distributed by the State to school districts through the statutory formula outlined in NDCC ch. 15-40.1. Each district's net entitlement to foundation aid is calculated by determining the district's gross entitlement [FN3] to foundation aid and subtracting a "deduct." The "deduct" for the 1990-1991 school year was the product of 22 mills times the "latest available net assessed and equalized valuation of property of the school district." NDCC § 15-40.1-06(3). [FN4] Because the deduct is based on the assessed property value in each district, it allows a greater reduction in total foundation aid for districts with higher assessed property values than for districts with lower assessed property values. The effect of the greater reduction in foundation aid for property wealthy districts provides some slight equalization of the money available for education expenditures in all districts.

FN3. A district's "gross entitlement" to foundation aid is calculated by multiplying "educational support per pupil," which the Legislature set at $1,552 per pupil for the first year of the 1991-1993 biennium

and at $1,608 for the second year, times the district's "weighted pupil units." A district's weighted pupil units are calculated by multiplying the larger of the district's average daily membership during the previous school year or fall enrollment for the current year times weighting factors or "cost indices" for each student. The "cost indices" are calculated by multiplying the number of students in each grade by a cost index for that grade and by totaling those figures to establish the district's "weighted pupil units." *See* NDCC §§ 15-40.1-07 through 15-40.1-08.

FN4. The "deduct" was set at 20 mills from 1973 until the 1989-1990 school year. During the 1989 legislative session, the Legislature raised the deduct to 21 mills for the 1989-1990 school year and to 22 mills for each year thereafter. 1989 N.D.Sess.Laws, ch. 213, § 2. During the 1993 legislative session, the Legislature raised the deduct to 23 mills for the 1993-1994 school year and to 24 mills for each year thereafter. 1993 N.D.Sess.Laws, ch. 3, § 19.

Under NDCC ch. 15-44, the State also distributes tuition apportionment funds to local school districts from a "state tuition fund," which is "[t]he net proceeds arising from all fines for violation of state laws, from leasing the school lands, and the interest and income from the state permanent school fund." NDCC § 15-44-01. The "state tuition fund" is distributed to school districts on a per pupil basis, and, in recent years, school districts have received the flat amount of approximately $200 per pupil from that fund.

The State reimburses school districts for transportation costs under a statutory formula which is based on the size of buses, the miles transported, and the number of pupils. NDCC §§ 15-40.1-15 through 15-40.1-18. The application of that formula results in the State reimbursing some school districts more than their actual transportation costs while reimbursing other districts substantially less than their actual transportation costs.

Special education is funded by distributions from the state and federal government and, upon a majority vote, school districts may also impose a tax levy for special education. NDCC chs. 15-59 and 15-59.2.

The State also distributes funding for vocational educational programs under NDCC chs. 15-20.1 and 15-20.2, and for school activity and school lunch programs under NDCC ch. 15-54.

Other sources of state revenue for education are a coal conversion tax on plants that convert coal into electricity [NDCC ch. 57-60]; a coal severance tax [NDCC chs. 57-61 and 57-62]; an oil and gas gross production tax [NDCC ch. 57-51]; an oil extraction tax [NDCC ch. 57-51.1]; and a tax on mutual and cooperative telephone companies [NDCC ch. 57-34]. Those taxes are "in lieu" of property taxes on the minerals or facilities involved, and the State distributes a portion ***254** of those tax revenues to school districts in the counties where the taxes originate.

As a result of disparities in the assessed value of property, mill levies, and the number of students in each district, there are disparities between school districts in the amount of money available for per pupil expenditures. During the 1990-1991 school year, the disparities in expenditures ranged from $11,743.28 per pupil in the Twin Buttes elementary school district to $2,085.97 per pupil in the Salund rural school district. In the 209 high school districts, the disparities ranged from $8,554.94 per pupil in the Fort Totten district to $2,306.26 per pupil in the United district. The mean expenditure in the high school districts was $3,692.58 per pupil. In the 48 elementary school districts, the disparities ranged from $11,743.28 per pupil in the Twin Buttes district to $2,173.12 per pupil in the Mapleton district. The mean expenditure in the elementary districts was $4,360.49 per pupil. In the 12 rural districts, the disparities ranged from $8,486.60 per pupil in the Earl district to $2,085.97 per pupil in the Salund district. The mean expenditure in the rural districts was $4,434.41 per pupil. The mean average expenditure for all school districts in the 1990-1991 school year was $3,425.12 per pupil.

During the 1990-1991 school year, all of the plaintiff school districts had per pupil expenditures below the state average. Their per pupil expenditures were $2,948.83 in Bismarck; $2,806.18 in Devils Lake; $2,869.22 in Dickinson; $2,709.46 in Grafton; $3,178.34 in Grand Forks; $2,547.44 in Mandan; $2,317.82 in Surrey; $2,614.36 in Valley City; and $2,576.20 in West Fargo.

B.

Within that statutory framework for distributing funding for education and the statewide disparities in expenditures per pupil, mill levies, and assessed values per pupil, we now consider the parties' constitutional arguments.

The plaintiffs argue that the impact of the statutory method for distributing funding for public education, as a whole, does not provide a "uniform system of free public schools throughout the state" under the education provisions of our state constitution, Art. VIII, §§ 1 and 2, N.D. Const. [FN5] The plaintiffs concede that the education provisions do not require equal dollars in per pupil funding throughout the state, but argue that the education provisions require the Legislature to distribute funding for public schools so that students throughout the state receive an "equal education opportunity."

FN5. The education provisions provide:

"*Section 1*. A high degree of intelligence, patriotism, integrity and morality on the part of every voter in a government by the people being necessary in order to insure the continuance of that government and the prosperity and happiness of the people, *the legislative assembly shall make provision for the establishment and maintenance of a system of public schools which shall be open to all children of the state of North Dakota and free from sectarian control.* This legislative requirement shall be irrevocable without the consent of the United States and the people of
North Dakota.

"*Section 2. The legislative assembly shall provide for a uniform system of free public schools throughout the state,* beginning with the primary and extending through all grades up to and including schools of higher education, except that the legislative assembly may authorize tuition, fees and service charges to assist in the financing of public schools of higher education." [Emphasis added].

The defendants respond that a "uniform system of free public schools" is satisfied by the Legislature's creation of school districts and by the implementation of a uniform system of schools in those districts, which, they contend, is achieved through curriculum requirements and accreditation standards. The defendants assert that the education provisions do not mandate any particular type, or level, of funding for public education. They argue that, in the absence of evidence that the statutory method for distributing funding for public education deprives any children either of access to an education, or of an adequate education, the funding method satisfies the education provisions.
However, the parties agree mere uniformity alone does not fully define the Legislature's constitutional obligation under the education provisions. The defendants admit a uniformly inadequate system would not satisfy the education provisions and argue that ***255** state equal protection analysis is the appropriate analytical framework for addressing the uniformity issue. The plaintiffs admit educational opportunities are not totally inadequate, and they also rely upon our state equal protection provisions. We therefore consider the parties' equal protection arguments.

C.

In *San Antonio Independent School District v. Rodriguez*, 411 U.S. 1, 93 S.Ct. 1278, 36 L.Ed.2d 16 (1973), the United States Supreme Court considered a federal equal protection challenge to disparities resulting from the method of distributing funding for education in Texas. The Supreme Court concluded that, under the federal equal protection clause, strict scrutiny was not applicable to the Texas financing scheme, because education was not a fundamental right guaranteed by the United States Constitution, and because wealth was not a suspect classification. The Court thus analyzed the Texas financing scheme under the rational basis standard and held that it was rationally related to a legitimate state purpose of local control.

[2] KC Although *Rodriguez* governs equal protection analysis of school financing under the federal constitution, we have often recognized that our state constitution may afford broader rights than those granted under the equivalent provision of the federal constitution. [FN6] *Matter of Adoption of K.A.S.*, 499 N.W.2d 558 (N.D.1993); *Kavadas v. Lorenzen*, 448 N.W.2d 219 (N.D.1989); *Johnson v. Hassett*, 217 N.W.2d 771 (N.D.1974).

FN6. Because *Rodriguez* essentially foreclosed federal equal protection challenges to state methods for funding education, litigants in other states have, with varying success, focused on the education or equal protection provisions of their state constitutions to challenge methods for funding public education. *See* Note, *State Constitutional Analyses of Public School Finance Reform Cases: Myth or Methodology?*, 45 Vand.L.Rev. 129 (1991); Note, *To Render Them Safe: The Analysis Of State Constitutional Provisions In Public School Finance Reform Litigation*, 75 Va.L.Rev. 1639 (1989).

Some courts have held that their state education funding systems violate the education provisions, the equal protection provisions, or both provisions, of their state constitutions. *DuPree v. Alma Sch. Dist. No. 30*, 279 Ark. 340, 651 S.W.2d 90 (1983); *Serrano v. Priest*, 18 Cal.3d 728, 135 Cal.Rptr. 345, 557 P.2d 929 (1976), *cert. denied*, 432 U.S. 907, 97 S.Ct. 2951, 53 L.Ed.2d 1079 (1977); *Horton v. Meskill*, 172 Conn. 615, 376 A.2d 359 (1977); *Rose v. Council for Better Educ., Inc.*, 790 S.W.2d 186 (Ky.1989); *McDuffy v. Secretary of Executive Office of Education*, 415 Mass. 545, 615 N.E.2d 516 (1993); *Tennessee Small School Systems v. McWherter*, 851 S.W.2d 139 (Tenn.1993); *Helena Elementary*

Sch. Dist. No. One v. State, 236 Mont. 44, 769 P.2d 684 (1989); Robinson v. Cahill, 62 N.J. 473, 303 A.2d 273 (N.J.), cert. denied, 414 U.S. 976, 94 S.Ct. 292, 38 L.Ed.2d 219 (1973); Edgewood Indep. Sch. Dist. v. Kirby, 777 S.W.2d 391 (Tex.1989); Seattle Sch. Dist. No. One v. State, 90 Wash.2d 476, 585 P.2d 71 (1978); Pauley v. Kelly, 162 W.Va. 672, 255 S.E.2d 859 (1979); Washakie County Sch. Dist. No. One v. Herschler, 606 P.2d 310 (Wyo.), cert. denied, 449 U.S. 824, 101 S.Ct. 86, 66 L.Ed.2d 28 (1980).

Other courts have upheld their education funding systems against state constitutional challenges. *E.g.*, Shofstall v. Hollins, 110 Ariz. 88, 515 P.2d 590 (1973); Lujan v. Colorado State Bd. of Educ., 649 P.2d 1005 (Colo.1982); McDaniel v. Thomas, 248 Ga. 632, 285 S.E.2d 156 (1981); Thompson v. Engelking, 96 Idaho 793, 537 P.2d 635 (1975); Hornbeck v. Somerset County Bd. of Educ., 295 Md. 597, 458 A.2d 758 (1983); Skeen et al. v. State of Minnesota et al., 505 N.W.2d 299 (Minn.1993); Board of Educ., Levittown v. Nyquist, 57 N.Y.2d 27, 453 N.Y.S.2d 643, 439 N.E.2d 359 (1982), appeal dismissed, 459 U.S. 1138, 103 S.Ct. 775, 74 L.Ed.2d 986 (1983); Board of Educ. of the City School Dist. of Cincinnati v. Walter, 58 Ohio St.2d 368, 390 N.E.2d 813, 12 O.O.3d 327 (1979), cert. denied, 444 U.S. 1015, 100 S.Ct. 665, 62 L.Ed.2d 644 (1980); Fair School Fin. Council of Oklahoma, Inc. v. State, 746 P.2d 1135 (Okla.1987); Olsen v. State, 276 Or. 9, 554 P.2d 139 (1976); Danson v. Casey, 484 Pa. 415, 399 A.2d 360 (1979); Richland County v. Campbell, 294 S.C. 346, 364 S.E.2d 470 (1988); Kukor v. Grover, 148 Wis.2d 469, 436 N.W.2d 568 (1989).

[3] Long viewed as our state constitutional guarantee of equal protection, Art. I, §§ 21 and 22, N.D. Const., provide:
"*Section 21*. No special privileges or immunities shall ever be granted which may not be altered, revoked or repealed by the legislative assembly; nor shall any citizen or class of citizens be granted privileges or immunities which upon the same terms shall not be granted to all citizens.
"*Section 22*. All laws of a general nature shall have a uniform operation."
***256** Those provisions do not prohibit legislative classifications or mandate identical treatment of different categories of persons. They do, however, subject legislative classifications to different standards of scrutiny, depending upon the right that may be infringed by the challenged classification. *E.g., Matter of Adoption of K.A.S., supra.*

[4] [5] [6] In Gange v. Clerk of Burleigh County District Court, 429 N.W.2d 429, 433 (N.D.1988), we outlined the standards of judicial scrutiny for equal protection claims under our state constitution:
"When a statute is challenged on equal protection grounds, we first locate the appropriate standard of review. We apply strict scrutiny to an inherently suspect classification or infringement of a fundamental right and strike down the challenged statutory classification 'unless it is shown that the statute promotes a compelling governmental interest and that the distinctions drawn by the law are necessary to further its purpose.' State ex rel. Olson v. Maxwell, 259 N.W.2d 621, 627 (N.D.1977). When an 'important substantive right' is involved, we apply an intermediate standard of review which requires a ' "close correspondence between statutory classification and legislative goals." ' Hanson v. Williams County, 389 N.W.2d 319, 323, 325 (N.D.1986) [quoting Arneson v. Olson, 270 N.W.2d 125, 133 (N.D.1978) ]. When no suspect class, fundamental right, or important substantive right is involved, we apply a rational basis standard and sustain the legislative classification unless it is patently arbitrary and bears no rational relationship to a legitimate governmental purpose. *See* State v. Knoefler, 279 N.W.2d 658, 662 (N.D.1979)."

[7] The parties agree that the right to education is a fundamental right under the North Dakota Constitution. *See, e.g.*, Lapp v. Reeder Public School District, 491 N.W.2d 65 (N.D.1992); State v. Rivinius, 328 N.W.2d 220 (N.D.1982), cert. denied, 460 U.S. 1070, 103 S.Ct. 1525, 75 L.Ed.2d 948 (1983); State v. Shaver, 294 N.W.2d 883 (N.D.1980); *In Interest of* G.H., 218 N.W.2d 441 (N.D.1974). *Compare Rodriguez, supra* [education is not a fundamental right under federal constitution].

[8] The plaintiffs thus assert that strict scrutiny applies to the statutory method for distributing funding for the fundamental right to education. *See* Horton v. Meskill, 172 Conn. 615, 376 A.2d 359 (1977); Pauley v. Kelly, 162 W.Va. 672, 255 S.E.2d 859 (1979); Serrano v. Priest, 18 Cal.3d 728, 135 Cal.Rptr. 345, 557 P.2d 929 (1976), cert. denied, 432 U.S. 907, 97 S.Ct. 2951, 53 L.Ed.2d 1079 (1977); Washakie Co. School Dist. No. One v. Herschler, 606 P.2d 310 (Wyo.), cert. denied, 449 U.S.

824, 101 S.Ct. 86, 66 L.Ed.2d 28 (1980).
In *Matter of Adoption of K.A.S., supra,* we considered a state equal protection challenge to a statutory scheme which authorized court-appointed counsel for indigent parents facing termination of parental rights in a proceeding under the Uniform Juvenile Court Act and the Uniform Parentage Act, but not for indigent parents facing termination of parental rights in an adoption proceeding. NDCC § 14-15-19(6). We applied strict scrutiny to that classification because it *impaired* the parents' exercise of their fundamental right to parent their children. 499 N.W.2d at 565. We concluded that conserving fiscal resources was not a compelling state interest which justified impairment of a parent's fundamental right to parent. In order to avoid that constitutional infirmity, we construed NDCC § 14-15- 19(6), to require appointment of counsel for indigent parents facing termination of parental rights in an adoption proceeding, unless the right was waived.
The equal protection challenge in this case involves financing of the fundamental right to education. The parties agree that the statutory method of distributing funding for that fundamental right results in disparities in expenditures per pupil. Those relative funding disparities may well *impair* the fundamental right to education. However, we agree with the rationale of those courts that, while recognizing the importance of education, have concluded that legislative determinations about the financing mix for education involve difficult questions of local and statewide taxation, fiscal planning, and education **257* policy, which are ill-suited for strict scrutiny analysis. *See* Lujan v. Colorado State Bd. of Education, 649 P.2d 1005 (Colo.1982); *McDaniel v. Thomas,* 248 Ga. 632, 285 S.E.2d 156 (1981); *Hornbeck v. Somerset County Bd. of Education,* 295 Md. 597, 458 A.2d 758 (1983); *Bd. of Education, Levittown v. Nyquist,* 57 N.Y.2d 27, 453 N.Y.S.2d 643, 439 N.E.2d 359 (1982), *appeal dismissed,* 459 U.S. 1138, 103 S.Ct. 775, 74 L.Ed.2d 986 (1983); *Board of Educ. of the City School Dist. of Cincinnati v. Walter,* 58 Ohio St.2d 368, 390 N.E.2d 813, 12 O.O.3d 327 (1979), *cert. denied,* 444 U.S. 1015, 100 S.Ct. 665, 62 L.Ed.2d 644 (1980). We do not believe that legislative decisions balancing those difficult issues require equal per pupil dollars for education funding, or a perfect solution in order to withstand equal protection analysis. Subjecting the entire method of financing education to the exacting level of strict scrutiny would essentially require the judiciary to micro-manage and second guess difficult policy decisions in the legislative arena. In a state with our demographic characteristics, we believe the Legislature must have some flexibility to relate funding to numerous variables involved with the actual cost of educating pupils in the different school districts. In the absence of a substantial deprivation of the fundamental right to education, those demographic characteristics and variables may result in some funding disparities which do not violate equal protection. We therefore decline to apply the rigorous and exacting standards of strict scrutiny to disparities in education funding, and we conclude that strict scrutiny is not applicable to this equal protection challenge.
However, unlike those jurisdictions which have concluded that strict scrutiny is not applicable to state equal protection challenges to financing education and have thus analyzed the issue under the rational basis standard, our state equal protection cases also require consideration of the intermediate level of heightened scrutiny for important substantive rights. *E.g., Hanson v. Williams County,* 389 N.W.2d 319 (N.D.1986). *Compare Rodriguez; Lujan; McDaniel; Hornbeck; Nyquist; Walter. See also Skeen et al. v. State of Minnesota et al.,* 505 N.W.2d 299 (Minn.1993) [although strict scrutiny applies in determining whether the Legislature has met a student's fundamental right to a general and uniform system of public schools, rational basis applies to determining whether financing of the system is thorough and efficient].

[9] In *Kavadas v. Lorenzen,* 448 N.W.2d 219, 222-223 (N.D.1989), we explained our rationale for choosing between the intermediate level of scrutiny and the rational basis standard of review:
"*Hanson* follows our equal protection cases in which we have generally applied the intermediate level of scrutiny to classifications which have completely prevented a class of injured persons from maintaining an action to recover for their injuries. *Bellemare v. Gateway Builders, Inc.* [420 N.W.2d 733 (N.D.1988) ] *supra* [intermediate level of scrutiny applicable to statute that prevented a class of plaintiffs from suing for damages for any deficiency in the design, planning, supervision or observation of construction, or construction of an improvement to real property]; *Patch v. Sebelius,* 320 N.W.2d 511 (N.D.1982) [intermediate level of scrutiny applicable to statute that prevented a class of plaintiffs from suing the state or a state agency]; *Benson v. North Dakota Workmen's Compensation Bureau,* 283 N.W.2d 96 (N.D.1979) [intermediate level of scrutiny applicable to statute that excluded a class of employees from workmen's compensation]; *Herman v. Magnuson,* 277 N.W.2d 445 (N.D.1979) [intermediate level of scrutiny applicable to statute that prevented a class of plaintiffs from suing a municipality for defective streets or bridges]; *Johnson v. Hassett,* 217 N.W.2d 771 (N.D.1974) [intermediate level of scrutiny applicable to automobile guest statute that prohibited a class of plaintiffs from suing for ordinary negligence of host].
"In contrast, we have generally applied the rational basis test to statutory classifications which involve economic or social matters and do not deprive a class of plaintiffs from access to the courts. *Mauch v.*

*Manufacturers Sales & Service, Inc.*, 345 N.W.2d 338 (N.D.1984) [rational basis test applicable to comparative negligence provisions ***258** of Section 9-10-07, N.D.C.C.]; *Law v. Maercklein*, 292 N.W.2d 86 (N.D.1980) [rational basis test applicable to statute allowing only residents to participate in the Unsatisfied Judgment Fund]; *Tharaldson v. Unsatisfied Judgment Fund*, 225 N.W.2d 39 (N.D.1974) [rational basis test applicable to statute limiting recovery from Unsatisfied Judgment Fund to $5,000 in cases in which the tortfeasor can not be ascertained, while permitting a $10,000 recovery from the Fund in other cases]."

We have also applied the intermediate level of heightened scrutiny to a classification involving homestead rights, which, like education, have state constitutional underpinnings [*Mund v. Rambough*, 432 N.W.2d 50 (N.D.1988) ] and to a classification involving a defendant's wealth and the vital interests in presenting a defense to a criminal prosecution for issuing checks without sufficient funds. *State v. Fischer*, 349 N.W.2d 16 (N.D.1984); *State v. Carpenter*, 301 N.W.2d 106 (N.D.1980).

[10] The defendants argue that the funding of education should not be analyzed under heightened scrutiny, because the plaintiffs' claims are based on relative disparities in the amount of funding for education and not on the absolute deprivation of the fundamental right to education. *See, e.g., Rodriguez, supra; Skeen, supra.* They argue that differences in the relative level of expenditures per pupil do not translate into inferior educational opportunities and do not affect educational outcomes. Relying on *Kadrmas v. Dickinson Public Schools*, 402 N.W.2d 897 (N.D.1987), *aff'd* 487 U.S. 450, 108 S.Ct. 2481, 101 L.Ed.2d 399 (1988), the defendants argue that education funding involves "classic" social and economic legislation, which is scrutinized under the rational basis standard rather than under heightened scrutiny.

In *Kadrmas,* this court considered education and equal protection provision challenges to NDCC § 15-34.2-06.1, which authorized nonreorganized school districts to charge patrons for transportation to and from schools. We held that school districts are not required to provide students with free transportation, because that service is not "essential" to a "uniform system of free public schools." *See Cardiff v. Bismarck Public School Dist.*, 263 N.W.2d 105, 113 (N.D.1978) [free public schools means those items which are "essential to education"].

In analyzing the state and federal equal protection challenge to NDCC § 15- 34.2-06.1, a majority of this court concluded the statute was "purely economic legislation which neither involves a suspect classification, nor a fundamental right or important substantive right which would require the strict scrutiny or intermediate standard of review." *Kadrmas, supra*, 402 N.W.2d at 902. The majority thus reviewed that statute under the rational basis standard and concluded it was rationally related to the legitimate governmental objectives of allocating limited financial resources and of providing incentives for school district reorganization. The majority held that the statute did not violate the equal protection provisions of the state or federal [FN7] constitutions.

FN7. The United States Supreme Court affirmed our decision under the federal equal protection clause. *Kadrmas v. Dickinson Public School Dist.*, 487 U.S. 450, 108 S.Ct. 2481, 101 L.Ed.2d 399 (1988).

The dissent determined that the statute involved access to the fundamental right of education, which was an "important substantive right," warranting the intermediate standard of scrutiny under our state equal protection provisions. *Id.* at 904-905 (Levine, Justice, concurring and dissenting). The dissent concluded there was no close correspondence between the statutory classification and the legislative goal of conserving and allocating financial resources.

We do not believe *Kadrmas* is determinative of the level of scrutiny applicable to the effect of the entire statutory method for distributing funding for public education. *Kadrmas* involved transportation charges, a service which this court held was not an essential element of a "uniform system of free public schools." Here, the equal protection challenge involves the effect of the entire statutory method for distributing funding for the "uniform system of free public schools" which obviously entails funding for some "essential" ***259** components of the "uniform system of free public schools." We therefore conclude that *Kadrmas* is not determinative of the level of scrutiny applicable to this equal protection challenge.

Funding of education involves more than social and economic matters like a day of rest, recreation and Sunday closing of businesses [*Best Products Co., Inc. v. Spaeth*, 461 N.W.2d 91 (N.D.1990) ], or the allocation of damages in tort reform cases. *E.g. Kavadas v. Lorenzen, supra.* Although the distribution of funding for public education involves money and economic consequences, the focus must be on the rights affected and the individual interests involved. *See Vantage, Inc. v. Carrier Corp.*, 467 N.W.2d 446, 448 (N.D.1991); *Hanson v. Williams County, supra*, 389 N.W.2d at 325. Here, those rights and interests support use of the intermediate level of scrutiny.

The education provisions of our state constitution have "at least equal standing" with the guarantees of

freedom of religion and freedom of speech and press, and the State has a compelling interest in establishing minimum standards of education to ensure that our children receive an adequate education. *State v. Rivinius, supra*, 328 N.W.2d at 228. Funding of education promotes "[a] high degree of intelligence, patriotism, integrity and morality on the part of every voter in a government by the people ... to insure the continuance of that government and the prosperity and happiness of the people" [Art. VIII, § 1, N.D. Const.] and is essential to the practical realization of the fundamental right enumerated in our state constitution: the right to a "uniform system of free public schools throughout the state" which "shall be open to all children of the state of North Dakota." Art. VIII, §§ 1 & 2, N.D. Const. In order to meet those state constitutional requirements, the funding of education must be at least on par with the right to bring a personal injury lawsuit [*e.g., Hanson v. Williams County, supra* ], and homestead rights. *Mund v. Rambough, supra.*

Although the statutory method for distributing funding for education may not totally deprive any student of access to the fundamental right to education, we believe the method of distributing funding for that fundamental right involves important substantive matters similar to those rights involved in cases in which we have applied the intermediate level of scrutiny. Accordingly, we analyze these equal protection claims under the intermediate level of scrutiny, and we require the distribution of funding for education to bear a close correspondence to legislative goals. *E.g., Hanson v. Williams County, supra.*

The Legislature has identified an educational funding goal to "support elementary and secondary education in this state from state funds based on the educational cost per pupil." NDCC § 15-40.1-06(1). We have also construed our state education and equal protection provisions to entitle children throughout North Dakota to an "equal education opportunity." *Lapp v. Reeder Public School Dist.*, 491 N.W.2d 65, 67 (N.D.1992); *In Interest of G.H.*, 218 N.W.2d 441, 447 (N.D.1974).

[11] The State is responsible for implementing our public school system, and the Legislature is authorized to provide for the maintenance of that system through a state or legislative levy of taxes, or through a mandatory local tax levy. *Dornacker v. Olson*, 248 N.W.2d 844 (N.D.1976). All taxes for education purposes, including local property taxes, are State taxes. *Id.; State ex rel. Haig v. Hauge*, 37 N.D. 583, 164 N.W. 289 (1917).

[12] In this case, the overall effect of the Legislature's statutory method for funding education authorizes the distribution of funding primarily on the basis of property wealth in the different school districts throughout the state. That distribution is not necessarily related to any aspect of educational needs, or educational cost per pupil, and, as a whole, fails to bear a close correspondence either to the constitutional mandate to provide an equal educational opportunity, or to the legislative goal of "support[ing] elementary and secondary education in this state from state funds based on the educational cost per pupil." NDCC § 15-40.1-06(1).

The lack of a close correspondence to those goals centers on the 22 mill deduct in ***260** NDCC § 15-40.1-06(3)(a). *See* fn. 4. A deduct at that level fails to achieve any reasonable degree of state equalization of disparities in per pupil expenditures and places an even greater reliance on unequalized school district tax bases, which allows property wealthy districts to use their property wealth to outstrip expenditures per pupil in property poor districts.

The equalizing effect of the deduct has deteriorated over the last twenty years. In 1973, the deduct was 20 mills and was supplemented by a 21 mill equalizing county levy for education. That levy was collected on all real property in the county and was distributed to school districts in the county based on the district's number of students. However, this equalizing county levy was repealed in 1981. 1981 N.D.Sess.Laws, ch. 198. In 1973, the 20 mill deduct and the 21 mill county levy equalized about two-thirds of the statewide average school levy of 65 mills. In the 1991-1992 school year, our state foundation aid payments were equalized only to the extent of the 22 mill deduct, while the statewide average mill levy for education exceeded 186 mills. *Compare Skeen, supra* [Minnesota education funding system did not violate education and equal protection provisions where approximately 93% of revenues generated by funding system were equalized by state law and approximately seven percent were unequalized and subject to local control].

In the 1973-1974 school year, foundation aid and tuition apportionment represented about 69% of the statewide average expenditure per pupil. In the 1981-1982 school year, foundation aid and tuition apportionment represented about 64% of the statewide average expenditure per pupil. By the 1990-1991 school year, foundation aid and tuition apportionment represented only about 46% of the statewide average expenditure per pupil. The net result of the low deduct is that its capacity for equalization has been dramatically reduced over the last 20 years to the point where the majority of revenues are no longer equalized by state aid.

The deduct also fails to treat the coal conversion and severance taxes, the oil and gas production and extraction taxes, and the telephone tax, all of which are "in lieu" of property tax revenues, as if they

were part of the local tax base for equalization purposes. That failure results in further disparate treatment and impact on the state's overall method of distributing funding for education.
The statutory method of distributing funding for education also allows some school districts to receive state reimbursement for transportation costs which exceed their actual costs while other districts receive less than half of their actual costs. That disbursement is totally unrelated to educational costs per pupil and does not bear a close correspondence to the constitutionally mandated goal of an equal educational opportunity, nor to the Legislature's goal to "support elementary and secondary education in this state from state funds based on the educational cost per pupil." NDCC § 15-40.1-06(1).
We are not persuaded that local control of education justifies the disparities in per pupil expenditures exhibited in this case. [FN8] An element of local control is clearly a useful and desirable aspect of any education system. However, local control in North Dakota is undercut and limited by the Legislature's enactment of requirements for statewide uniformity ***261** of education. [FN9] The present method of distributing funding for education fails to offer any realistic local control to many school districts, because it fails to provide many local school boards with a means to generate the funding needed to provide educational opportunities similar to those in other districts, and it fails to give local school boards any realistic credit for the local taxation efforts their patrons bear. *See* *Dupree v. Alma School Dist. No. 30*, 279 Ark. 340, 651 S.W.2d 90 (1983), and *Tennessee Small School Systems v. McWherter*, 851 S.W.2d 139 (Tenn.1993) [local control does not provide rational basis for educational funding disparities].

FN8. A number of other jurisdictions have upheld state education financing systems challenged on equal protection grounds after subjecting those funding systems to the "rational basis" test. As in *Rodriguez*, those courts have concluded that spending disparities between school districts were rationally related to the legitimate governmental objective of local control. *See, e.g.*, *Lujan v. Colorado State Bd. of Educ.*, 649 P.2d 1005 (Colo.1982); *Bd. of Education, Levittown v. Nyquist*, 57 N.Y.2d 27, 453 N.Y.S.2d 643, 439 N.E.2d 359 (1982), *appeal dismissed*, 459 U.S. 1138, 103 S.Ct. 775, 74 L.Ed.2d 986 (1983). *See also* *McDaniel v. Thomas*, 248 Ga. 632, 285 S.E.2d 156 (1981); *Thompson v. Engelking*, 96 Idaho 793, 537 P.2d 635 (1975); *Hornbeck v. Somerset County Bd. of Educ.*, 295 Md. 597, 458 A.2d 758 (1983); *Skeen et al. v. State of Minnesota et al.*, 505 N.W.2d 299 (Minn.1993); *Board of Educ. of the City School Dist. of Cincinnati v. Walter*, 58 Ohio St.2d 368, 390 N.E.2d 813, 12 O.O.3d 327 (1979), *cert. denied*, 444 U.S. 1015, 100 S.Ct. 665, 62 L.Ed.2d 644 (1980); *Fair School Fin. Council of Oklahoma, Inc. v. State*, 746 P.2d 1135 (Okla.1987); *Olsen v. State*, 276 Or. 9, 554 P.2d 139 (1976); *Kukor v. Grover*, 148 Wis.2d 469, 436 N.W.2d 568 (1989).

FN9. Those legislative requirements include compulsory school attendance [NDCC ch. 15-34.1]; teachers' certification [NDCC ch. 15-36] with minimum education requirements [NDCC §§ 15-41-25, 15-47-46]; minimum elementary and high school curriculum requirements [NDCC §§ 15- 38-07, 15-41-24, 15-45-02]; minimum number of school days for each year [NDCC § 15-47-33, 15-45-02]; class requirements for units of credit [NDCC § 15-41-06]; and health and safety requirements [NDCC chs. 15-35, 18-12, and NDCC § 15-45-02]. Public schools suffer financial penalties if they fail to meet statutory approval requirements, specifically foundation aid payments are reduced. NDCC § 15-40.1-06.

Rather than selectively reweigh the evidence, we accept the trial court's determinations that the lack of substantially uniform funding has created seriously adverse educational consequences. In other words, relative differences in funding significantly interfere with some children's right to an education. We summarize the findings about those adverse educational consequences.
Property wealthy districts have lower pupil to teacher ratios in all sizes of districts. (Trial Court Findings of Fact 216, 217). Those districts have substantially higher revenues per pupil and provide their children with substantially more favorable teacher ratios. Teacher-pupil ratios range from 58.5 teachers per 1,000 pupils in grades one through six in the lowest revenue group, compared to 90.9 teachers per 1,000 for those grades in the highest revenue group of districts. There is a clear correlation between revenues and the ratio of teachers to pupils. (Finding 218).
To illustrate, the Fargo school district has greater access to taxable wealth than does neighboring West Fargo, both urban districts. Fargo annually spends over $1,000 per pupil more than West Fargo for an average of over $25,000 more per class room of twenty-five students. (Finding 236). The Crosby district is able annually to spend over $1,300 more per pupil than the Surrey district with a comparable number of pupils, an average of over $32,500 more per classroom. The Billings County district has an educational purchasing power that is annually $5,000 per pupil more than the Bell School District with a comparable number of pupils, an exorbitant average of over $125,000 more per classroom. (Finding 236). These disparities in dollars cause disparate educational opportunities.

The trial court found that property poor districts have a larger number of pupils per classroom than wealthy districts. Larger classes complicate instruction and interfere with educational goals by emphasizing efficiency over effectiveness. (Finding 266). Maximum class sizes allowed under the state accreditation standards are often exceeded at all levels in elementary, junior high, and senior high schools in poor districts. (Findings 266-282). Class size adversely affects student's educational opportunities. (Finding 273).

Funding disparities cause other deficiencies: reduced curriculums; unavailability of textbooks; use of outdated textbooks; shortages and lack of equipment, supplies, and materials; spartan physical education programs; science laboratories without equipment; and lack of libraries. (Findings 283- 342). Many elementary schools do not have a library. (Finding 293). In one poor district, teachers supplement their outdated textbooks by purchasing scholastic magazines at their own personal expense. (Finding 306). Lack of a library is an inequity of major proportions, depriving students of the essential skills of research, self direction, and independent learning. (Finding 317).

***262** Poor districts also have distinctly lower ratios of counselors (Finding 221), librarians (Finding 222), and guidance counselors (Finding 223), frequently below accreditation standards. Other poor districts have fewer or no instructors in art, music, foreign language, and physical education. (Finding 244). Also, in some poor districts, buildings and physical facilities are overcrowded, deteriorating, and unsafe. (Findings 379-408).

All of the complaining districts have curtailed or virtually eliminated staff development due to lack of funds, although the trial court found as a fact that "a teacher who takes a course in more effective teaching and applies that information is likely to be a better teacher." (Finding 344). Although special education programs are mandated by state and federal law, and although the number of special education students has been increasing, statewide reimbursement for these programs has decreased from 35% in 1985-1986 to 26% in 1989-1990, intensifying problems for poor districts. (Findings 345-360). Some districts receive reimbursement of significantly more money than they actually spend for transportation of students, up to 150% of their actual expenses, while other districts receive only 40-45% reimbursement. (Findings 370-378). These uneven variations in funding add to the lack of uniformity in educational opportunities.

Accreditation is one measure of compliance with minimum standards within each school. (Finding 413). Because of funding shortages, some districts are not accredited by the North Central Association. Other poor districts are deficient and facing disaccreditation because of recommendations that are beyond their financial resources. (Findings 409-429). However, accreditation assures only uniformity in some basic elements, and wealthier districts easily meet those standards. (Finding 426). Significantly, districts that had all levels of schools accredited by the North Central Association had significantly higher average test scores at all grade levels. (Finding 428).

In sum, the trial court found that the differentials in current revenues per pupil that exist among North Dakota school districts create a lack of uniformity in education. (Finding 431). The quality of education strongly correlates with the revenue per pupil that a district has available to purchase educational services, materials, and equipment. (Finding 432). Money makes a difference.

High-spending schools have educational advantages over low-spending schools: better qualified and trained teachers as well as in-service training of staff, better equipment, and adequate facilities that are not overcrowded. (Finding 434). The higher revenues in wealthy districts translate into more staff, better teacher-pupil ratios and programs, and adequate supplies. (Finding 434). Greater funding means that schools do more things educationally, and do them better. (Finding 434).

The distinct advantages to students in wealthy districts, compared to poor districts, permit some children to compete more favorably for access to post-secondary training and for jobs, and create life-long advantages for some students in wealthy districts, and life-long deficits for others in poor districts. (Finding 447). The existing school finance system in North Dakota has systematically created and continues significantly unequal educational access and opportunities, stemming from lower per pupil expenditures due to property wealth variations. These serious educational disadvantages for some children are only explained by the lack of uniformity in resources. (Finding 450).

The present educational funding system seriously discriminates against some students and significantly interferes with their right to equality of educational opportunities. Because educational opportunities are not substantially uniform, the existing system of educational funding needs fixing.

We conclude that the effect of the Legislature's statutory method for distributing funding for primary and secondary education in North Dakota, as a whole, does not bear a close correspondence to the goals of providing an equal educational opportunity, and of supporting elementary and secondary education from state funds based on the educational cost per pupil. We do not hold that any one of the various statutes for distributing ***263** funding, by itself, is unconstitutional, or that our constitution requires equal dollar funding per pupil throughout the state. The Legislature must have some freedom to relate funding to the actual costs of educating pupils, and those costs may vary throughout a state with our demographic characteristics. We hold only that the impact of the distribution of funding exhibited in this case does not

bear a close correspondence to the goals of providing an equal educational opportunity and of supporting elementary and secondary education from state funds based on educational costs per pupil. We affirm the district court judgment insofar as the court concluded that the overall impact of the entire statutory method for distributing funding for education in North Dakota is unconstitutional.

III

[13] Although we sustain the district court's determination that the statutory method for distributing funding for education, as a whole, is unconstitutional, we also conclude that the district court erred in mandating specific actions to be taken by the Governor, the Superintendent of Public Instruction, and the Legislative Assembly and its leaders, and in retaining jurisdiction to monitor and enforce compliance with its decision. In view of the separate powers entrusted to the three coordinate branches of government, it is not the usual function of the judiciary to supervise the legislative process in that manner. *State v. Sathre*, 110 N.W.2d 228 (N.D.1961). The procedure for a declaratory judgment provides an adequate alternative to the court's retention of jurisdiction. Section 32-23-08, N.D.C.C., authorizes "[f]urther relief based on a declaratory judgment or decree ... whenever necessary or proper," but does not necessarily authorize a court to retain jurisdiction of an action to ensure that coordinate branches of government comply with a judicial decision. Because we accord respect to the coordinate branches of government and we trust that they will act to remedy the disparate effects of the statutory method for distributing funding for education, we conclude that the district court erred in mandating specific actions and in retaining jurisdiction to enforce compliance with its decision. *See Odden v. O'Keefe*, 450 N.W.2d 707, 710 (N.D.1990) [supreme court declined to issue supervisory writ, because it was "confident that the judges in the Northeast Judicial District will act in light of the principles set forth in this decision"].

Accordingly, we affirm the district court judgment in part and we reverse in part.

MESCHKE and LEVINE, JJ., concur.

SANDSTROM, Justice, dissenting.

We are asked to decide if North Dakota's educational finance system meets the state constitution's requirements that the Legislative Assembly "provide for a uniform system of free public schools," and that "[a]ll laws of a general nature shall have uniform operation."

Because the majority opinion's analysis is seriously flawed, ignoring the clear meaning of the constitutional language, and the opinions of this Court, I dissent.

The district court declared virtually every education finance statute unconstitutional. The majority purports to affirm the district court; yet it declares no statute unconstitutional, but says the "effect" of the education finance system is an unconstitutional result.

There is a fundamental right to education. The plaintiffs, however, have failed to establish any student is being denied that right. They concede all plaintiff districts meet or exceed the educational requirements of the state. The students in North Dakota in general, and in the plaintiff districts, are receiving a good education.

School districts, as political subdivisions of the state, cannot sue the state for "uniform funding." Through lawsuit, taxpayers are not entitled to the same tax burden as different taxpayers. Students deprived of an education can sue to obtain one, but none assert an education is being denied. Regardless of the flawed logic of the majority, there is no constitutional right to equal education financing.

To claim the constitutional requirements of a uniform system of education requires substantially ***264** the same per pupil spending everywhere in the state ignores the clear words of the constitution. It ignores the words of the drafters as recorded in the proceedings of the Constitutional Convention. It ignores the contemporaneous interpretation of the constitutional language by the First Legislative Assembly. It ignores all the previous holdings of this Court on this issue since statehood.

In citing this Court's decisions holding the right to an education cannot be denied to handicapped children, the majority ignores the rationale of the cases and overstates their holdings as a "constitutionally mandated goal of equal educational opportunity."

The right to an education cannot be denied, but it is absurd to suggest "equal educational opportunity" requires the same educational experience, the same textbooks, the same teachers, the same class options, or the same dollar spending. Students are entitled to the opportunity to receive an education under a uniform system of structure and standards.

The majority seeks to manufacture a new constitutional right where none exists and none was intended.

Absent the violation of a legitimate constitutional right, we are not to supplant our judgment for the legislature's.

I

The majority wrongly states it is unnecessary to resolve the issue of the nine plaintiff school districts' standing to challenge the constitutionality of North Dakota's school financing statutes. The districts lack standing. Their lack of standing is not only important, but the majority must ignore their lack of standing in order to find unconstitutionality.

School districts are political subdivisions of the state created by statute. *See* N.D.C.C. § 15-47-43; *Baldwin v. Board of Education*, 76 N.D. 51, 33 N.W.2d 473, 482 (1948). Political subdivisions created and controlled by the state do not have standing to claim violations of constitutional rights. *County of Stutsman v. State Historical Soc.*, 371 N.W.2d 321 (N.D.1985). In *County of Stutsman,* this Court held:

"A political subdivision, as an agency of the state in the exercise of governmental powers, generally has no privileges or immunities under the Federal Constitution which it may invoke in opposition to the will of the State.

"In this instance the County, rather than a private person, is the party asserting a violation of its constitutional rights. Stutsman County may not successfully assert a violation of those constitutional rights because it is not a person or private party within the context of those provisions. If Stutsman County has a serious complaint about the burdens placed upon it by this designation under the legislative enactment of chapter 55-10 for preservation of historic sites, the County must take it to the Legislature which controls the County's fate in matters such as this."

*County of Stutsman* at 330 (citations omitted, footnote omitted).

This Court has previously held school districts have no enforceable rights against the state regarding education funding. In *Dickinson Public School Dist. v. Sanstead*, 425 N.W.2d 906 (N.D.1988), this Court held local school districts have no contract rights against the state to foundation aid payments. In *Sanstead,* this Court said, "state aid to local school districts is a mere gratuity." *Sanstead* at 910. *See also Zenith School District No. 32 v. Peterson*, 81 N.W.2d 764, 768 (N.D.1957).

The district court erred when it ignored established North Dakota law and instead applied Minnesota law to find the school districts have standing to assert constitutional claims on their own behalf. *See Metro. Sports Fac. v. County of Hennepin*, 451 N.W.2d 319 (Minn.1990). Since the majority's finding of unconstitutionality is not based on specific claims of any but the school district plaintiffs, the ignoring of established North Dakota law is crucial to its holding.

II

The first step in analyzing the constitutionality of North Dakota's school finance system is determining what the education clause of our North Dakota Constitution requires. ***265** Does the Constitution require the legislature to create a system of public schools uniform in organizational structure (for example, local school districts and statewide curriculum and accreditation requirements), or must the legislature create a system uniform both in structure and in per pupil funding?

A

The majority reviews the language of Article VIII, § 2, N.D. Const., and concludes the legislature's obligations under the education clause are not fully defined by "mere uniformity." The majority, however, never explains what is required under Article VIII. Instead, the majority bypasses this step and applies equal protection principles. To determine if the plaintiffs' fundamental right to education is being abridged, we must first define the right.

Article VIII, N.D. Const., sets forth the state's education system. Article VIII provides, in part:

"*Section 1*. A high degree of intelligence, patriotism, integrity and morality on the part of every voter in a government by the people being necessary in order to insure the continuance of that government and the prosperity and happiness of the people, the legislative assembly shall make provision for the establishment and maintenance of a system of public schools which shall be open to all children of the state of North Dakota and free from sectarian control. This legislative requirement shall be irrevocable without the consent of the United States and the people of North Dakota.

"*Section 2*. The legislative assembly shall provide for a uniform system of free public schools throughout the state, beginning with the primary and extending through all grades up to and including schools of higher education, except that the legislative assembly may authorize tuition, fees and service charges to assist in the financing of public schools of higher education.

"*Section 3*. In all schools instruction shall be given as far as practicable in those branches of knowledge that tend to impress upon the mind the vital importance of truthfulness, temperance, purity, public spirit, and respect for honest labor of every kind.

"*Section 4*. The legislative assembly shall take such other steps as may be necessary to prevent illiteracy, secure a reasonable degree of uniformity in course of study, and to promote industrial, scientific, and agricultural improvements."

The district court concluded the uniformity provision in Article VIII, § 2 requires uniformity in "educational opportunity" as measured by per pupil funding. The district court erred in its interpretation

of Article VIII. Article VIII, § 2 directs the legislature to create a system of education which is structurally uniform throughout the state. Article VIII, § 2 does not require uniformity in per pupil funding to achieve "equality in opportunity."

In construing constitutional provisions:

"[W]e must undertake to ascribe to the words used that meaning which the people understood them to have when the constitutional provision was adopted. *State ex rel. Sanstead v. Freed*, 251 N.W.2d 898 (N.D.1977). In so doing, it is appropriate to consider contemporaneous and long-standing practical interpretations of the provision by the Legislature where there has been acquiescence by the people in such interpretations."

*Kadrmas v. Dickinson Public Schools*, 402 N.W.2d 897, 899 (N.D.1987).

The record of the North Dakota Constitutional Convention debates reflects the delegates' intent in requiring "a uniform system of free public schools." Article VIII, § 2 was reported out of the committee on education, as follows:

"Sec. 2. The Legislature shall provide at their first session after the adoption of this Constitution for a uniform system of free public schools throughout the State, beginning with the primary and extending through all grades up to and including the normal and collegiate course."

*Official Report of the Proceedings and Debates of the First Constitutional Convention of North Dakota*, p. 152 (1889).

*266 Delegate Patrick McHugh twice attempted to amend section 2 to eliminate the word "uniform." McHugh's first amendment attempted to replace "a uniform" with "an independent district." The amendment was defeated. *Debates of the Convention*, p. 152-53. McHugh's second attempt proposed striking all of section 2 after the word "State" in line three, and inserting:

"And each county of the State shall be divided into a convenient number of independent school districts. But no school district shall be formed containing less than twenty-five inhabitants."

In opposition to the proposed amendment, Delegate William J. Clapp explained:

"This matter of the school district system came before the committee and it was their idea, and the idea of the Convention that while the school district system might be the best, at some other time there might be some better method, and we thought the better plan would be to adopt a uniform system and if so the Legislature will make it uniform. I hope it will stand as it is here."

*Debates of the Convention*, p. 603. The amendment failed.

Clapp's comments clarify the framers' intent. The education committee believed the legislature should create a system of local school districts to provide education for North Dakota's citizens. The committee, however, used the word uniform in section 2 to give the legislature flexibility in determining the best organizational system in the future. The framers did not intend to require the legislature to create an education system with uniform per pupil funding financed by the state.

The early contemporaneous legislative construction of the education provisions also supports the proposition that the state is not required to provide uniformity in per pupil funding. In 1890, the First North Dakota Legislative Assembly enacted chapter 62, entitled: "AN ACT to Provide for a Uniform System of Free Public Schools Throughout the State and to Prescribe Penalties for Violation of the Provisions Thereof." Chapter 62 established school districts and governed the schools in those districts. N.D.Sess.Laws, ch. 62 (1890); *see also Cardiff v. Bismarck Public School Dist.*, 263 N.W.2d 105, 107-8 (N.D.1978).

Under chapter 62, the state's school system was financed almost exclusively by local taxes. "[T]he First Legislative Assembly did provide for a uniform system of free public schools through a system of school districts, financed by a local ad valorem property tax levy of not exceeding 30 mills. (Sections 101 and 102, Chapter 62, Laws of 1890)." *Dornacker v. Olson*, 248 N.W.2d 844, 848 (N.D.1976). The first legislature gave local school boards power to levy a property tax of not more than 30 mills in any one year. S.L. 1890, ch. 62, § 101. Chapter 62 also required each county assess a levy of one dollar on each elector in the county and a further tax of two mills for all taxable property in the county for the support of the common schools. S.L. 1890, ch. 62, § 102.

The First Legislative Assembly did not see the funding for North Dakota's schools as the responsibility of the state, but rather as a local function. The only state money for education provided by the first legislature came from fines and penalties for violation of state law, school land leases, and interest and income from the state permanent school trust fund. S.L. 1890, ch. 62, § 90. Use of these funds for education was mandated by Article IX, §§ 153 and 154 of the North Dakota Constitution (1889).

In its original form, prior to its amendment in 1970 and 1982, Article IX, § 153, provided:

"All proceeds of the public lands that have heretofore been, or may hereafter be granted by the United States for the support of the common schools in this state; all such per centum as may be granted by the United States on the sale of public lands; the proceeds of property that shall fall to the state by escheat; the proceeds of all gifts and donations to the state for common schools, or not otherwise appropriated by the terms of the gift, and all other property otherwise acquired for common schools, shall be and remain a perpetual fund for the maintenance of the common schools of the state. It shall be

*267 deemed a trust fund, the principal of which shall forever remain inviolate and may be increased but never diminished. The state shall make good all losses thereof."

Prior to its amendment in 1982, Article IX, § 154, provided:

"The interest and income of this fund together with the net proceeds of all fines for violation of state laws and all other sums which may be added thereto by law, shall be faithfully used and applied each year *for the benefit of the common schools of the state, and shall be for this purpose apportioned among and between all the several common school corporations of the state in proportion to the number of children in each* of school age, as may be fixed by law, and no part of the fund shall ever be diverted, even temporarily, from this purpose or used for any other purpose whatever than the maintenance of common schools for the equal benefit of all the people of the state; provided however, that if any portion of the interest or income aforesaid be not expended during any year, said portion shall be added to and become a part of the school fund." (Emphasis added.)

Although the drafters of North Dakota's Constitution were aware of the divergent value of property throughout the state and, therefore, the differing ability of local communities to raise money for schools, the drafters determined the proceeds from North Dakota's trust fund should be distributed on a per student basis, rather than on an equal educational opportunity basis. *See Debates of the Convention*, pp. 161-63, and 288-89.

Similarly, the early education legislation did not include statewide "equalization" among school districts. As discussed above, the 1890 statutes provided the state's schools would be funded primarily through school district property taxes, county property taxes, and county poll taxes. S.L. 1890, ch. 62, §§ 101 and 102. The school district property taxes were retained within the school district. S.L. 1890, ch. 62, § 101. The county taxes were paid into the state tuition fund. S.L. 1890, ch. 62, § 102. The state tuition fund was apportioned among the counties strictly by the number of school age children residing in each county. S.L. 1890, ch. 62, § 90. Each county then distributed the state tuition fund moneys to school districts on the same basis (the number of school age children in the district). S.L. 1890, ch. 62, § 95. This funding method included no equalization based on the property wealth of a particular school district.

This Court previously has interpreted the education provisions of the Constitution. Those cases concluded the Constitution only requires the legislature to establish a statewide system of schools. Our past opinions make clear the legislature is not required to provide any particular level or type of state funding for education.

In *Todd v. Board of Education*, 54 N.D. 235, 241, 209 N.W. 369, 371 (1926), this Court held Article VIII §§ 1 and 2:

"[R]equires the establishment and maintenance by the state of a uniform system of free public schools, but this requirement is satisfied by provision for the creation of school districts and for a uniform system of schools in those districts."

In *Zenith School District*, 81 N.W.2d at 768, the Court concluded "[s]tate aid to school districts, however, is not reimbursement for or payment for anything. It is a grant in aid and in so far as the local districts are concerned it is in the nature of a gratuity."

In *Dickinson Public School Dist. v. Sanstead*, 425 N.W.2d at 909, the Court explained:

"[T]he Legislature could have required, as it did in the distant past, that all funding for public schools be borne by the local district, inasmuch as the State's constitutional directive to provide a uniform system of public schools is satisfied by provision for the creation of school districts and for a uniform system of schools in those districts."

Other state courts which have interpreted similar constitutional provisions have held "uniform" merely applies to the general system of education, and not to equality in funding. *See Skeen v. State*, 505 N.W.2d 299, 310 (Minn.1993) (constitutional requirement met *268 so long as all state schools provide "adequate level of basic education"); *Shofstall v. Hollins*, 110 Ariz. 88, 515 P.2d 590, 592 (1973) ("general and uniform" requirement met since Arizona's system assures every child a basic education); *Thompson v. Engelking*, 96 Idaho 793, 537 P.2d 635, 648 (1975); *Idaho Schools for Equal Educ. v. Evans*, 123 Idaho 573, 850 P.2d 724 (1993) ("[T]he uniformity requirement in the education clause requires only uniformity in curriculum, not uniformity in funding."); *Olsen v. State*, 276 Or. 9, 554 P.2d 139, 148 (1976) (Constitution is "complied with if the state requires and provides for a minimum of educational opportunities in the district and permits the districts to exercise local control over what they desire, and can furnish, over the minimum."); *Coalition for Equit. Sch. Fund. v. State*, 311 Or. 300, 811 P.2d 116 (1991); *Lujan v. Colorado State Bd. of Educ.*, 649 P.2d 1005, 1018-19 (Colo.1982), (Colorado General Assembly must provide each school age child the opportunity to receive a free education, and must establish guidelines); *Kukor v. Grover*, 148 Wis.2d 469, 436 N.W.2d 568, 577-78 (1989) ("uniform" requirement refers to such items as minimum teacher certification, minimum number of school days, and standard school curriculum); *Britt v. North Carolina State Bd. of Educ.*, 86 N.C.App. 282, 357 S.E.2d 432, 433-37 (1987); *St. Johns County v. N.E. Fla. Builders*, 583 So.2d 635, 641 (Fla.1991). *But see Seattle Sch. Dist. No. 1 of King Cty. v. State*, 90 Wash.2d 476, 585 P.2d 71 (1978)

(school funding system found unconstitutional based on requirement making it the "paramount" duty of the state to make "ample" provision for education); Washakie Co. Sch. Dist. No. One v. Herschler, 606 P.2d 310 (Wyo.1980) (funding based on county wealth violates equal protection).

Article VIII does not require uniformity in funding to achieve equal educational opportunity. A contrary conclusion disregards the constitutional history of Article VIII, the legislative history of school financing in North Dakota, the prior rulings of this Court, and rulings from states with similar constitutional requirements.

B

Although Article VIII does not require uniformity in educational opportunity, it does require the state to create a system of education which ensures basic education. The majority correctly points out a "uniformly inadequate" system would not satisfy the requirements of Article VIII.

Although Article VIII does not set forth a clear mandate that the legislature provide basic education, such a requirement is inherent in Article VIII, §§ 1, 3 and 4. Section 1 provides:

"A high degree of intelligence, patriotism, integrity and morality on the part of every voter in a government by the people being necessary in order to insure the continuance of that government and the prosperity and happiness of the people, the legislative assembly shall ... [establish] ... a system of public schools...."

Section 3 provides:

"In all schools instruction shall be given as far as practicable in those branches of knowledge that tend to impress upon the mind the vital importance of truthfulness, temperance, purity, public spirit, and respect for honest labor of every kind."

Section 4 provides:

"The legislative assembly shall take such other steps as may be necessary to prevent illiteracy, secure a reasonable degree of uniformity in course of study, and to promote industrial, scientific, and agricultural improvements."

The state is meeting its responsibility to provide a basic education. The legislature has created a uniform system to deliver educational services through the use of local school districts supervised by local school boards. N.D.C.C. §§ 15-47-43, 15-29-07, and 15-29-08. Each district must meet a set of statutorily imposed requirements. All public, private, and parochial schools in North Dakota must:

(1) Employ certified teachers (N.D.C.C. ch. 15-36) having at least specific minimum qualifications (N.D.C.C. §§ 15-41-25 and 15-45-02).

(2) Offer courses satisfying at least minimum high school curriculum requirements ***269** and meet required elementary curriculum requirements (N.D.C.C. §§ 15-38-07, 15-41-24 and 15-45-02).

(3) Teach high school courses for at least a set minimum amount of time for a high school student to receive a unit of credit for the course (N.D.C.C. § 15-41-06).

(4) Hold school for at least a minimum number of days each year (N.D.C.C. §§ 15-47-33 and 15-45-02).

(5) Meet health and safety requirements (N.D.C.C. chs. 15-35 and 18-12; N.D.C.C. § 15-45-02).

The teacher certification and qualifications statutes require all teachers be certified based on standards established by the state superintendent of public instruction. Teachers can teach only in their major or minor field of preparation.

The courses included in the minimum high school curriculum requirements are four units each of English and science, three units each of math and social studies, one unit each of health and physical education, music, and six units of electives from at least two course areas identified in the statute. N.D.C.C. § 15-41-24.

Under the statutory curriculum, students in elementary schools must be taught spelling, reading, writing, arithmetic, language, English grammar, geography, United States history, civil government, nature study, and elements of agriculture. Physiology and hygiene also must be taught. N.D.C.C. § 15-38-07. Other statutes impose additional, very specific curriculum requirements on all schools. *See* N.D.C.C. §§ 15-38-07 through 15-38- 11, 15-47-24, and 15-47-37.

A school's foundation aid payments can be reduced for failure to comply with the curriculum requirements. *See* N.D.C.C. § 15-40.1-06(2). All public schools in North Dakota, including those in the plaintiff districts, currently meet the statutory curriculum requirements.

Additionally, the legislature has authorized the state superintendent of public instruction to establish standards for accreditation of public and private schools. N.D.C.C. §§ 15-21-04.1 and 15-45-03. Under this statutory authorization, the state superintendent has issued accreditation standards to further ensure educational quality in North Dakota.

The accreditation standards are grouped into eight categories: school improvement, administration, instructional personnel, instructional program, student evaluation, pupil personnel services, library media services, and school policies. Many accreditation standards impose more stringent requirements than are mandated by statute. *See Accreditation Standards, Criteria and Procedures for the classification of Elementary, Middle Level/Junior High, and Secondary Schools,* prepared by the North Dakota Department of Public Instruction, August, 1991.

The content of some accreditation standards differ for different schools based on varying enrollments. The different standards for large and small enrollment schools are based on practical considerations. The size of a district makes a difference in the educational programs the district can offer. Larger schools are expected to meet higher standards in regard to breadth and depth of course offerings. For the most part, the plaintiffs' schools are the larger schools in the state.

Public schools may receive one of four accreditation classifications: (1) accredited with commendation (given to a school that has met the accreditation standards and gone through a school improvement process), (2) accredited (given to a school that has met the accreditation standards but has not gone through a school improvement process), (3) accredited with warning (given to a school that has failed to meet a "required" accreditation standard or a sufficient percentage of the "optional" standards), and (4) not accredited (given to a school that was accredited with warning and failed to correct the problem that caused the warning).

A school accredited with warning suffers no financial penalty during the year it receives the warning, but the school must remove the warning by the next date of accreditation or it will be reclassified as not accredited.

All public secondary schools in North Dakota currently are accredited. All but one of **270* North Dakota's public elementary schools currently are accredited. All of the plaintiff districts are accredited, some with commendation.

C

Since the legislature has created a system of education uniform both in organizational structure and in curriculum requirements, the Court's review of Article VIII should be limited to two questions: (1) do the state's curriculum and accreditation requirements ensure a basic level of education so as to produce responsible productive citizens. *See* Art. VIII, § 1, N.D. Const.; *State v. Shaver*, 294 N.W.2d 883, 897 (N.D.1980) ("The State of North Dakota has a recognized and conceded interest in assuring the sufficient education of the children of the residents of the state to enable them to be viable citizens in the community."); and, (2) are the state's minimum requirements being enforced to ensure a basic level of education.

All of the schools in the plaintiff school districts meet the statutory curriculum requirements, and all of the schools are accredited. The plaintiffs do not challenge the adequacy of North Dakota's accreditation system, rather the plaintiffs' action is based on claims of relative harm--harm caused by differences in per pupil funding among districts.

The district judge assumed relative funding differences, and the different choices school districts are forced to make because of funding differences, amounted to a constitutional violation. The district court, however, mistakenly assumed school districts have a right to equal funding. The district court failed to analyze whether the relative differences in funding amounted to denial of some children's right to an education. The district court found inadequacies based on outside reading in newspapers and magazines, and on the defendants anecdotal evidence. The majority makes this same mistake.

Rather than examine all the factors which measure quality in education, the district court focused only on funding. To meet its responsibilities under Article VIII, the state must spend sufficient money to ensure children receive a basic level of education. The fact some school districts receive more funding per pupil than others, does not necessarily mean the students in the lower funded districts are being denied their constitutional right to an education. Because North Dakota has both small enrollment rural school districts and large enrollment urban school districts, differences in per pupil funding are not surprising. Larger school districts, because of economies of scale, are able to provide services more efficiently than smaller districts. Because there is not a direct correlation between monetary input and education output, comparisons of school districts' per pupil funding are not the measure of whether the state is meeting its constitutional responsibility.

Student output is the appropriate measure of education quality. To assess education quality in the state, the department of public instruction coordinates the administration of the Comprehensive Test of Basic Skills (CTBS), the Test of Cognitive Skills (TCS), and the National Assessment of Educational Progress (NAEP). The CTBS and TCS tests, which are administered and scored together, have been administered in all public schools and almost all private schools in North Dakota in grades 3, 6, 8, and 11 since 1990. The CTBS test measures achievement in basic skills. The TCS test is a "school ability" test. It does not measure achievement; it measures how well students should be expected to perform in school.

The test results for North Dakota students show students are learning commensurate with their ability. In 1991, North Dakota students on an average scored higher than the national average on all CTBS subtests at all grade levels. North Dakota students also achieved the top scores in the United States on the 1990 NAEP eighth grade mathematics assessment. Contrary to the plaintiffs' anecdotal evidence, differences in district funding do not have an effect on student learning as measured by standardized tests.

Misconstruing the constitutional requirements, the district court fundamentally erred in focusing on the relative funding differences among school districts, and in discounting **271* the state's studies as to

education quality as measured by student achievement.
The education clause does not require uniformity in education funding, only that the state ensure a basic level of education. The plaintiffs have not demonstrated the state's system fails to provide a basic education. The requirements of the education clause are being met, and the system is valid under Article VIII.

III

The majority's equal protection analysis is also faulty. The majority correctly points out that under Article I, §§ 21 and 22, of the North Dakota Constitution, not all legislative classifications are unlawful. We review lawfulness of legislative classifications under three separate standards of review. "The standard used in a particular case depends upon the challenged statutory classification and the right allegedly infringed." *Kadrmas v. Dickinson Public Schools*, 402 N.W.2d at 902. A statute, however, is conclusively presumed to be constitutional unless it is clearly shown the statute violates the state or federal constitutions. *Hall GMC, Inc. v. Crane Carrier Co.*, 332 N.W.2d 54, 61 (N.D.1983).
Equal protection analysis begins with a review of the right allegedly infringed. This case involves three groups of plaintiffs: the nine school districts, taxpayers in each of the nine plaintiff school districts, and parents suing on behalf of their children who are students in the nine plaintiff school districts.

A

As explained above, the nine plaintiff school districts have no standing to challenge the constitutionality of the state's education funding system.

B

The taxpayer plaintiffs' argue they are discriminated against under the current funding formula. They claim their equal protection rights are violated because they are paying property taxes higher than taxpayers in other school districts, and their school district should be receiving more money from the state. The district court found:
"Plaintiff taxpayers are denied equal protection in that they must pay proportionately higher taxes on their real estate for the maintenance of education which does not result in equal education opportunity for the students in their districts."
In *San Antonio Independent School District v. Rodriguez*; 411 U.S. 1, 93 S.Ct. 1278, 36 L.Ed.2d 16, *reh'g denied*, 411 U.S. 959, 93 S.Ct. 1919, 36 L.Ed.2d 418 (1973), the United States Supreme Court reviewed claims Texas' school financing system was unconstitutional. The Court noted wealth discrimination claims in challenges to state public school financing laws are unlike any of the forms of wealth discrimination previously reviewed by the United States Supreme Court:
"Rather than focusing on the unique features of the alleged discrimination, the courts in these cases have virtually assumed their findings of a suspect classification through a simplistic process of analysis: since, under the traditional systems of financing public schools, some poorer people receive less expensive educations than other more affluent people, these systems discriminate on the basis of wealth. This approach largely ignores the hard threshold questions, including whether it makes a difference for purposes of consideration under the Constitution that the class of disadvantaged 'poor' cannot be identified or defined in customary equal protection terms, and whether the relative--rather than absolute--nature of the asserted deprivation is of significant consequence."
*Rodriguez*, 411 U.S. at 19, 93 S.Ct. at 1289, 36 L.Ed.2d at 34. The Court concluded no suspect classification based on wealth was involved:
"However described, it is clear that appellees' suit asks this Court to extend its most exacting scrutiny to review a system that allegedly discriminates against a large, diverse, and amorphous class, unified only by the common factor of residence in districts that happen to have less taxable wealth than other districts. The system of alleged discrimination and the class it defines have none of the traditional indicia of suspectness: the class is not saddled with such disability, or subjected ***272** to such a history of purposeful unequal treatment, or relegated to such a position of political powerlessness as to command extraordinary protection from the majoritarian political process."
*Rodriguez*, 411 U.S. at 28, 93 S.Ct. at 1294, 36 L.Ed.2d at 40 (footnote omitted). *See also Lujan v. Colorado State Bd. of Educ.*, 649 P.2d at 1021; *Skeen*, 505 N.W.2d at 314. The taxpayer plaintiffs are not a suspect class.
The taxpayers in districts with relatively low taxable value per pupil are not, on average, poor. Kathryn L. Strombeck, a research analyst with the Tax Commissioner's Office, compared the average adjusted gross incomes for taxpayers in the plaintiff districts, with statewide average adjusted gross incomes. Strombeck concluded no significant relationship existed between average adjusted gross income and taxable valuation per pupil. School districts with high average adjusted gross incomes do not consistently have high levels of taxable valuation per pupil, nor do they consistently have low levels of taxable valuation per pupil.
The taxpayers in districts with relatively low taxable value per pupil do not necessarily pay higher property taxes than taxpayers in school districts with relatively high taxable value per pupil. The plaintiffs' expert, Dr. John Augenblick, established statistically there is little or no relationship between a

districts' property wealth and its mill levy. The taxpayer plaintiffs' only complaint is that because the state has failed to fully equalize its funding to school districts, the school boards in some of the districts, with the consent of the people, have chosen to raise the school districts' mill levy, forcing some of the taxpayer plaintiffs to pay more property taxes than some taxpayers in other districts. This complaint does not state a valid constitutional claim. The equal protection clause does not guarantee taxpayers rates identical to all other taxpayers in the state. Signal Oil and Gas Company v. Williams County, 206 N.W.2d 75 (N.D.1973). The legislature has wide discretion to fix the basis of taxation. *Signal Oil and Gas Company* at 82. A tax will be upheld:

"[I]f any state of facts reasonably can be conceived that would sustain it. Furthermore, a court need not know the special reasons, motives, or policies of a State legislature in adopting a particular classification, so long as the policy is one within the power of the legislature to pursue, and so long as the classification bears a reasonable relation to those reasons, motives, or policies."

*Signal Oil and Gas Company* at 83 (citations omitted); *see also* Caldis v. Board of Cty. Com'rs, Grand Forks Cty., 279 N.W.2d 665, 672 (N.D.1979); *So.* Valley Grain Dealers v. Bd. of Cty. Com'rs, 257 N.W.2d 425, 436 (N.D.1977).

Because the legislature's funding scheme for public education promotes both local control and local involvement, it bears a rational relationship to a legitimate legislative purpose. The district court erred in concluding the taxpayer plaintiffs' constitutional rights are violated by the current public school financing system.

C

In North Dakota, education is a fundamental right under the North Dakota Constitution. In *In Interest of G.H.*, 218 N.W.2d 441 (N.D.1974), this Court resolved whether G.H., a child with severe physical handicaps, was entitled to have the state pay her tuition at the Crippled Children's School. This Court held:

"We are satisfied that all children in North Dakota have the right, under the State Constitution, to a public school education....

"Handicapped children are certainly entitled to no less than unhandicapped children under the explicit provisions of the Constitution."

*In Interest of G.H.* at 446. After reviewing the United States Supreme Court's *Rodriguez* opinion, this Court concluded, even if education was not a fundamental right under the North Dakota Constitution, G.H. would be entitled to a state funded public education under the equal protection clauses of the United States and North Dakota Constitutions. This Court concluded classifications ***273** based on physical disability are inherently suspect, subject to strict scrutiny:

"When North Dakota undertakes to supply an education to all, and to require all to attend school, that right must be made available to all, including the handicapped, on equal terms."

*In Interest of G.H.* at 447.

In Lapp v. Reeder Public School Dist. No. 3, 491 N.W.2d 65 (N.D.1992), this Court reiterated its holding in *In Interest of G.H.*, explaining:

"Under our state constitution, all children in North Dakota have the right to a public school education. N.D. Const. Art. VIII, § 1. Our state constitution also guarantees 'equal educational opportunity' to a handicapped child. *In* Interest of G.H., 218 N.W.2d 441, 447 (N.D.1974). The school board of a public school has a duty '[t]o establish for all children of legal school age residing within the district, a system of free public schools which shall furnish school privileges equally and equitably.' Section 15-29- 08(1), N.D.C.C.; *see also* N.D. Const. Art. VIII, § 2."

*Lapp* at 67 (citations omitted).

*In Interest of G.H.* and *Lapp* are very different from this case. In *In Interest of G.H.*, the issue was which public entity, if any, would be responsible to pay for G.H.'s education. Similarly, in *Lapp*, the issue was the handicapped child's residence so as to determine the financially responsible district. Both *In Interest of G.H.* and *Lapp* involved a total deprivation of the child's right to an education and an inherently suspect classification. This case involves neither a complete denial of education opportunity, or an inherently suspect classification.

A party attacking the constitutionality of a statute must show the statute affects the party's rights in an unconstitutional manner. Benson v. Schneider, 68 N.W.2d 665, 670 (N.D.1955). When reviewing challenges to classifications which affect fundamental rights, or important substantive rights, "the challenged law must be shown to 'significantly interfere' with the right ... before a court need apply heightened scrutiny." Gange v. Clerk of Burleigh Cty. D. Court, 429 N.W.2d 429, 433 (N.D.1988); *see also* Wills v. State, 821 P.2d 866 (Colo.App.1991) (When a statutory classification significantly interferes with the exercise of a fundamental right, the strict scrutiny test is used to evaluate its constitutionality.); Walters v. Edwards, 396 F.Supp. 808 (E.D.La.1975) (If classification of voters into two groups significantly interferes with fundamental right, such classification must meet compelling state interest test to pass equal protection scrutiny.).

The plaintiffs have not proven a "significant interference" with their fundamental right to an education.

The scope of the plaintiffs' fundamental right to an education is defined by Article VIII. Article VIII requires the state to provide a basic level of educational opportunity. The state has met its responsibility under Article VIII through the establishment of a uniform system of schools with curriculum and accreditation standards. Since Article VIII is satisfied under the current system, the plaintiffs' fundamental right to an education is not infringed. The appropriate standard of review, therefore, is the rational basis test, which is "the traditional standard for scrutinizing legislation facing equal protection attack and is most often utilized in cases involving economic and social welfare legislation." *Kadrmas,* 402 N.W.2d at 902.

In *Kadrmas,* several parents brought an action to enjoin the collection by a school district of a fee for school bus transportation. The parents asserted under Article VIII, § 2, the state was required to provide free school bus transportation because it is an essential element of the education process. This Court rejected the parents' claim, holding:

"In our view transportation is not a necessary element of the educational process, and it is not an integral part of the educational system to which the constitution refers in requiring the Legislature to provide 'a uniform system of free public schools.' Although transportation may be an important prerequisite to accepting the educational opportunities offered in the public school system it is not part of the system."

**274 Kadrmas* at 901. In *Kadrmas,* the parents also challenged the statute authorizing school bus charges as violating their rights to equal protection. The parties based their equal protection challenge on two classifications. First, they asserted the transportation charges created a wealth classification which discriminated against poor persons. Second, they asserted the statute, by authorizing only school districts which had not been reorganized to charge a school bus service fee, created a classification between reorganized and nonreorganized districts, which discriminated against persons residing in nonreorganized districts.

This Court applied the rational basis test and upheld the statute:

"In our view the challenged statute in this case is purely economic legislation which neither involves a suspect classification nor a fundamental or important substantive right which would require the strict scrutiny or intermediate standard of review.... We conclude that the rational basis test is the appropriate standard of review for the plaintiffs' equal protection claims in this case. Accordingly, Section 15-34.2-06.1, N.D.C.C., must be upheld unless it is patently arbitrary and fails to bear a rational relationship to any legitimate government purpose."

*Kadrmas* at 902. This Court concluded the statute was rationally related to the legitimate governmental objective of allocating limited resources, and the statute did not discriminate on the basis of wealth so as to violate federal or state equal protection rights. *Kadrmas* at 903.

The current financing system satisfies the rational basis test. The system provides a basic education to all of the plaintiffs. The system also fosters local control and involvement in education, a legitimate legislative goal.

D

The plaintiffs make a valid public policy argument when criticizing the shortcomings of the 22 mill deduct [FN1] in the state's foundation aid program. The deduct is not working as it did originally, and it is unfortunate the legislature has not done more to correct the problem. The job, however, is the legislature's. Issues of funding necessarily involve the balancing of an infinite number of variables, and involve making value judgments as to which variables deserve more attention. Value judgments associated with allocating scarce resources, in most situations, are properly made by the legislature, with the consent of the people. The judiciary's role is limited. The judiciary should not "constitutionalize" complex public policy issues unless fundamental or substantive rights are being abridged.

FN1. *See* N.D.C.C. § 15-40.1-06(3)(a). The deduct has been increased by the legislature to 23 mills for the 1993-4 school year, and to 24 mills for each year thereafter. N.D.Sess.Laws 1993, ch. 3, § 19.

More involved than the truncated version stated by the majority, the stated intent of N.D.C.C. § 15-40.1-06 is to support elementary and secondary education based on educational cost per student (with various exclusions). It does not state the goal is to "equalize" or "achieve equality" in per pupil spending. The majority claims the legislature has not sufficiently achieved the funding goal the majority says the legislature has established, and therefore, the funding system is unconstitutional. Even if the section represented a legislative goal to equalize funding for schools in the state, equalization is not a constitutional requirement. The legislature can create and eliminate funding goals at will as long as it ensures basic educational opportunity to all North Dakotans. The legislature's failure to meet a goal of equalized funding would not render the entire education funding system unconstitutional.

The majority, citing to no specific legal principle, creates a new substantive right under the North Dakota Constitution: The right of school districts to receive less disparate per pupil funding than they are

currently receiving. The majority concludes strict scrutiny does not apply because "legislative determinations about the financing mix for education involve difficult questions of local and statewide taxation, fiscal planning, and *275 education policy, which are ill-suited for strict scrutiny analysis." The majority, however, later concludes such determinations are suited for intermediate substantive right scrutiny:

"Although the statutory method for distributing funding for education may not totally deprive any student of access to the fundamental right to education, we believe the method of distributing funding for that fundamental right involves important substantive matters similar to those rights involved in cases in which we have applied the intermediate level of scrutiny."

The majority does not explain the legal source of the substantive right, or define what level of funding equality is mandated under its requirements. The majority's "we know it when we see it" approach tells the legislature to "try again," without providing the legislature with a blueprint for constructing a new system.

Under the majority's holding, the legislature could meet its constitutional obligation of providing "equal educational opportunity" by decreasing the amount of funding given to "property rich" school districts, without increasing the funding to the "property poor" school districts. The majority's opinion leads to this absurd result because of the majority's failure to clearly define a child's fundamental right to an education.

The majority's opinion is an example of why issues of funding are best left to the discretion of the legislature. Unless the legislature is denying a child his or her constitutional right to an education or acting in an arbitrary fashion, this Court has no business telling the legislature how to finance education. The majority's holding is not an appropriate exercise of judicial power, and is not a proper interpretation of the North Dakota Constitution.

I would uphold the constitutionality of North Dakota's school financing system.

VANDE WALLE, Chief Justice, dissenting in part.

I agree in part with Justice Sandstrom's analysis of the issues and application of the law. Although both the trial court's opinion and the majority opinion conclude that a per-pupil-payment equality is not necessary in order that the statutory scheme pass constitutional muster, the evidence upon which they rely and their analysis of why the present scheme is unconstitutional discuss the issues on essentially a per pupil basis. In the same manner, the trial court and the majority opinion acknowledge the legitimacy of the factor of economy of scale, i.e., that the costs for educating students do not rise proportionally to the increase in the number of students, but do not apply that factor to the comparison of "rich" and "poor" districts and give no more than lip service to the factor in their reliance on per pupil comparison and per pupil analysis to reach their result. Without more, I cannot conclude that the evidence supports more than a finding of inequity--an inequity which has not yet reached constitutional proportions. A comparison of the very worst with the very best of 269 school districts cannot be the basis for finding unconstitutional disparity among all districts.

The challenge in this case closely resembles the challenge in *Skeen v. State*, 505 N.W.2d 299 (Minn.1993), where a majority of the Minnesota Supreme Court concluded the Minnesota scheme for funding education complied with the requirement that the legislature establish a general and uniform system of public schools. [FN1] There are, however, two dramatic factual differences between this case and *Skeen*. In *Skeen*, the per-pupil-payment from the State was $2,953 (increased to $3,050 for 1992 and subsequent *276 years). Here, as the majority notes, the State payment was $1,608 for the second year of the 1991-1993 biennium. However, the parties tell us, this case is not about the amount of money allocated for schools, but rather how the money is distributed.

FN1. The Minnesota Constitution may appear even more specific in that it requires the Legislature to provide sufficient financing to secure a thorough and efficient system of public schools throughout the State. *See Skeen v. State*, 505 N.W.2d 299 at 301 (Minn.1993). The North Dakota Constitution, Article VIII, §§ 1, 2, 3, and 4, contains no such specific requirement as to financing. However, it is obvious that the Legislature must provide for the funding of education. *See State ex rel. Walker v. Link*, 232 N.W.2d 823, 826 (N.D.1975) ["Neither the Legislature nor the people can, without a constitutional amendment, refuse to fund a constitutionally mandated function."]

The second difference and, if the plaintiffs' argument is not that the Legislature has failed to fund the schools, the more significant difference, is that in Minnesota the fully equalized State funding rate was near 93% while North Dakota was at 52.8%. Although it is tempting to use this disparity as a reason for rejecting the Minnesota analysis, I agree with Justice Sandstrom that the evidence does not indicate a present inability on the part of the plaintiffs to provide an adequate education.

Despite my agreement in part with Justice Sandstrom's opinion, I write separately to emphasize the

most obvious teaching of Justice Neumann's opinion, and that of the trial court, i.e., that the present system is fraught with funding inequities which I believe have not yet transgressed the rational-basis standard of review but which appear to me to be on a collision course with even that deferential standard.

As the opinion of Justice Sandstrom concludes, the education clause of our Constitution "does not require uniformity in education funding, only that the state ensure a basic level of education" and, according to *Todd v. Board of Education*, 54 N.D. 235, 241, 209 N.W. 369, 371 (1926), "this requirement is satisfied by provision for the creation of school districts and for a uniform system of schools in those districts." Nevertheless, when the State requires a minimum curriculum as it seemingly must to achieve minimal "uniformity," while at the same time it imposes a maximum mill levy, [*see* NDCC § 57-15- 14]; regulates the assessment of taxable property [Article X, § 4, N.D. Constitution, Chapter 57-02, NDCC]; provides for assessment at the State level of certain property [Article X, § 4, N.D. Constitution]; exempts certain property from taxation [Article X, § 5, N.D. Constitution, *see, e.g.*, NDCC § 57-02-08]; and exempts property from local taxation by means of "in lieu" taxes paid to the State [*e.g.*, Chapter 57-51, NDCC (oil and gas gross production tax) and Chapter 57-51.1, NDCC (oil extraction tax) ], it is apparent that the school districts established to meet the requirement of Article VIII, N.D. Constitution, are far from unfettered in their ability to raise the necessary funds to implement the required minimum curriculum which is said to satisfy the "uniformity" requirement.

Regardless of the precise words used by the Legislature, the enactment of the State School Aid, "foundation program," is a recognition that school districts are, under existing statutes, unable to raise the funds locally to provide an adequate education for the students in those districts. The "deduct" specified by section 15-40.1-06, NDCC, is recognition that the inability to locally raise necessary funds to educate students is not uniform, that the inability is greater in some districts than others, due, perhaps in part or even in total, to the previously described constitutional and legislative restrictions imposed on school districts. Because the "deduct" does not approach a pragmatic "school district equalization factor" as the title of section 15-40.1-06, NDCC suggests, it seems inevitable that the restrictions on the ability of school districts to locally raise necessary funds for education (read for minimum curriculum), when coupled with the failure of the "deduct" to "equalize" that inability through greater State revenue for those districts having insufficient local tax resources, will eventually require a conclusion that the scheme is unconstitutional at least as applied to the students in those districts.

Although Justice Sandstrom concludes in his opinion that the parents and students have not, in this case, proven they have been denied a minimum curriculum taught by qualified teachers or that, by objective testing they have been denied a minimum uniform education, that proof may well be evident in the future under the present scheme.

N.D.,1994.

Bismarck Public School Dist. No. 1 v. State By and through North Dakota Legislative Assembly
511 N.W.2d 247, 88 Ed. Law Rep. 1184

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Tim Flat

# Executive Summary of the Commission's Recommendations

- Create a comprehensive formula to distribute aid on a per student basis
  - Combine funds previously distributed as Foundation Aid, Teacher Compensation, Tuition Apportionment, Special Education ADM, and Supplemental Equity Payments
  - Create weighting factors to reflect programs that have added costs and to reflect differences in efficiencies between schools of varying sizes
  - Limit increases in state dollars as follows:
    - Adjust payments for districts will high valuations per student (in excess of 150% of statewide average)
    - Adjust payments for districts with low local taxing effort (below 155 mills the first year, 160 mills the second year)
    - Adjust payments to ensure that no district receives less than a 2%/3% increase per weighted student unit (Hold Harmless)
    - Adjust payments to limit increases so that no district receives more than a 7%/10% increase, excluding equity payments



Stremick presentation
from Sen Flakoll 1/23/07

# Executive Summary of the Commission's Recommendations

- Provide increased equity among school districts
  - Eliminate the mill levy deduct
  - Eliminate the supplemental equity payment
  - Create a new equity payment as follows:
    - Provide additional state aid payments for school districts below 90% of the statewide average imputed taxable valuation per pupil
    - Impute an equivalent taxable valuation for 75% of county revenue and unrestricted tuition income
    - Require districts to levy at least 185 mills to receive an unreduced equity payment

# Executive Summary of the Commission's Recommendations

- Provide additional support for special education
  - Increase the allocation for pupil payments in special education by $6,000,000
  - Guarantee excess cost reimbursements on students contracts for the 1% most costly special education students
  - Increase the allocation for student contracts by $2,000,000
  - Combine the funding for special education contracts, regular education tuition reimbursements, and state responsible students into a single cost pool
  - Reduce the number of special education units in the state

# Executive Summary of the Commission's Recommendations

- Provide increased state support for construction of school facilities as follows:
  - Provide financial assistance to districts with taxable valuations per student that are significantly below the statewide average
  - Provide financial assistance to districts that meet established criteria for reorganization

# Executive Summary of the Commission's Recommendations

- Provide additional support for Career and Technical Education
  - Target $1,300,000 for cooperative service delivery among current CTE centers
  - Provide $1,200,000 for pilot programs in 2 new CTE centers
- Encourage the continued development of Joint Powers Agreements
  - Increase the appropriation for JPAs by $1,000,000 and allocate $1,000,000 in contingency funds from surplus state aid to schools

# Terminology for K-12 Funding Formula

**Per Student Payment**

The amount paid out for each weighted pupil unit.

**State Aid Payment**

The total amount of state funds paid to a school district.

**Base ADM**

The ADM figure that is the sum of grades 1-12 ADM, kindergarten student count times .50, and the pre-school special education equivalent student count.

**Weighting Factor**

The amount added to the base factor of 1.00 for each ADM that reflects all or part of the added cost of educating the qualifying student in each category.

**Weighted ADM**

The ADM figure resulting from adding the base ADM with all of the additional cost adjusted ADM equivalents.

**School Size Weighting Factor**

The factor that adjusts for the relative costs of varying school size.

**Weighted Pupil Units**

The student payment units determined by multiplying the Weighted ADM times the School Size Weighting Factor.

# Terminology for K-12 Funding Formula

**Equity Payment**

The special payment to school districts to offset the deficiency of revenues caused by inadequate taxable valuation net of other revenues.

**ELL Students**

Students requiring remedial English Language Learners or students requiring extra English instruction.

**ESY program**

Extended School Year program for students with disabilities.

**Imputed Taxable Valuation**

Taxable valuation of real property plus theoretical valuation created by dividing 75% of outside income (county revenue and tuition income) by the property tax rate of the district.

**Missing Valuation per student**

The deficit amount by which a district's taxable Valuation per student is below the statewide average Valuation per student.

**Total Valuation Deficiency**

The total amount by which a district's taxable valuation is short of the target taxable valuation – calculated as the Missing Valuation per student times the district's Base ADM.

# Comparison of State Appropriations 2005-2007 vs. 2007-2009

| State Appropriation | 2005-2007 |
|---|---|
| Foundation Aid Per Student Payment | $484,053,759 |
| Teacher Compensation Payments | $50,912,120 |
| Tuition Apportionment | $71,600,000 |
| Supplemental Payments | $5,000,000 |
| Special Education Per Student Payments | $36,600,000 |
| Special Education Gifted & Talented | $400,000 |
| Special Education Contracts | $15,500,000 |
| JPA Incentives | $1,000,000 |
| Career & Technical Education | $10,517,216 |
| **Baseline Funding for 2005-2007** | **$675,583,095** |

| State Appropriation | 2007-2009 |
|---|---|
| Per Student Payments | $688,665,879 |
| At-risk Kindergarten (year 2) | $3,000,000 |
| Equity Payments | $32,000,000 |
| Special Education Gifted & Talented | $400,000 |
| Special Education Contracts | $17,500,000 |
| JPA Incentives | $2,000,000 |
| Career & Technical Education | $12,517,216 |
| **Baseline Funding for 2007-2009** | **$756,083,095** |

| | |
|---|---|
| **Baseline Funding for 2005-2007** | **($675,583,095)** |
| **Difference** | **$80,500,000** |

# Main Formula Recommendations

- Increase funding by $80,500,000
- Distribute using a pupil-based formula
- Combine separate appropriations into a single comprehensive formula
  - Foundation Aid
  - Teacher Compensation
  - Tuition Apportionment
- 70% of new state dollars from per pupil payments earmarked for increased teacher compensation

# Main Formula Recommendations

- Hold Harmless of 2%/3%
  - Based on the baseline funding per weighted student unit
  - Includes equity payments
  - Minimum will increase an additional 1% the second year of the biennium
- Maximum increase of 7%/10% plus new money
  - Based on the baseline funding per weighted student unit
  - Excludes equity payments
  - Maximum will increase by an additional 3% per year until all districts are on formula

# Main Formula Recommendations

- Categorical Weighting Factors
  - Create factors for Early Childhood Sp Ed, K-12 Sp Ed, ELL, Alternative HS, Home Education, etc.
- Per pupil payments will be subject to the following additional conditions:
  - Payments will be reduced for districts with taxable valuations per student in excess of 150% of the statewide average
  - Payments will be reduced for districts with general fund mill levies below 155/160 mills

# Main Formula Recommendations

- Establish school size weighting factors to reflect differences in efficiencies between schools of varying sizes
  - K-12 School Districts
    - Range from 1.00 (Districts of 900 or more students) to 1.25 (Districts with fewer than 185 students)
  - Graded Elementary and One-Room Rural Schools
    - Range from 1.00 (Districts with 200 or more students) to 1.25 (Districts with fewer than 125 students)
  - Reorganized School Districts
    - Create a blended weighting factor based on each individual district's factor prior to reorganization

# Equity Payment Recommendations

- Eliminate the Mill Levy Deduct as a means of providing equalization
- Create a new Equity Payment system
  - Bring districts with low taxable valuations per student up to 90% of the statewide average
  - Calculate an "imputed" amount of additional taxable valuation using 75% of county revenue and unrestricted tuition
  - Limit the equity payment to the amount of local tax raised
  - Reduce equity payments for districts levying below 185 general fund mills

# Equity Payment Recommendations

- Create a "safety net" for districts with extremely low valuations (less than 50% of statewide average)
  - Guarantee at least 20% of the statewide valuation per student
  - Assume a 185 mill general fund levy

# Special Education Recommendations

- Pupil Payments
  - Merge the distribution of special education funds per student into the basic formula
  - Create a categorical weight to generate dollars per student for all school districts
  - Increase the support for special education student payments by $6,000,000 during 2007-09
  - Continue to allocate $400,000 for Gifted & Talented programs

# Special Education Recommendations

- Student Contracts
  - Increase the threshold for school-placed student contracts to 4.5 times the statewide average (currently 2.5 times the statewide average) to cover the 1% most costly students
  - Guarantee that 100% of excess costs will be paid (Any deficiency will be paid from unused per student funds)
  - Create a system to help control the costs of student placements
  - Increase the support for student contracts by $2,000,000 during 2007-09
  - Merge reimbursements for special education contracts with regular education excess cost and state responsible payments

# Special Education Recommendations

- Reduce the number of special education units statewide
  - Recommend that the legislature reduce the number of special education units to 18
  - Recommend that the legislature encourage alignment with JPAs

# Capital Construction Improvement Recommendations

- Continue the current requirement for schools to obtain state approval prior to construction
- Create programs to assist school districts with capital construction costs above the programs in place today
  - Equity Program for Capital Construction
    - Target districts that are eligible for equity payments
      - Buy down interest rate by 50 to 200 basis points
      - Repayment of 20 years
      - Up to $7,000,000 for district above 80% of statewide average
      - Up to $8,000,000 for districts below 80% of statewide average

# Capital Construction Improvement Recommendations

- Capital Improvement Assistance for Reorganization
  - Target districts that are willing to reorganize
  - Buy down interest rate by up to 300 basis points
  - Repayment of 30 years
  - Up to $13,500,000 or up to 90% of project costs, whichever is less
    - 1 percentage point for every 10 students (up to 50%)
    - 5 percentage points for each school district
    - 5 percentage points for each 100 square mile increment
- Create a deferred maintenance program
  - If state revenues exceed projections by $30,000,000 during 2007-09, $10,000,000 will be distributed to schools to offset the costs of deferred maintenance

# Career & Technical Education Recommendations

- Improve the uniformity of CTE across the state
  - Develop incentives to increase the cooperative delivery of CTE programs
    - Appropriate $800,000 of additional funds
    - Require the State Board for CTE to reallocate $500,000 from current budget
    - Encourage improvements in transportation, equipment sharing, online course delivery and mobile labs
  - Encourage the development of more CTE Centers
    - Appropriate $1,200,000 to fund 2 new CTE centers
  - Encourage participation in economic development programs and workforce training initiatives

# Joint Powers Agreement Recommendations

- Develop the potential of Joint Power Agreements as a means of improving access to services during a period of enrollment declines
  - Increase the appropriation for JPAs by $1,000,000
  - Allow JPAs an additional $1,000,000 from any unused per student funds (after any special education contract shortfall has been paid)
  - Establish a working group of JPA board chairmen and executive directors

# Optional Funding Recommendations

- For state general funds appropriated in addition to the $60,000,000 required by the Stay of Litigation, the following recommendations are made:
  - Any increase from the Common Schools Trust Fund shall be distributed through the formula on a per student basis ($4,500,000)
  - An additional $5,000,000 should be used to increase the per student payment in the second year of the biennium
  - An additional $3,000,000 shall be used to fund an "at-risk" extended day kindergarten program
  - An additional $4,000,000 shall be used to fund special education ($3,000,000 to per student payments and $1,000,000 to contracts)
  - Any additional funding placed into the per student payments ($4,000,000)

# Moving To Adequacy

- A key to long-term improvements in student achievement is the development of an adequate education for every child.
  - To achieve adequacy, policy decisions must be made in areas such as class size, teaching staff, early education, career counseling, special education, and curriculum
  - Costs must be considered any time an additional requirement is made through law, rule or policy

# Moving To Adequacy

- Components in an adequacy funding formula
  - Weighting factors that accurately reflect the true cost differences for educating students with varying educational needs
  - Categories that accurately reflect the different types of educational programs required to meet the needs of all children
  - A spending level per student that ensures that every child has access to programs necessary to meet state standards for achievement

# Main Formula

- Based on ADM
- Additional Weighted Factor Categories
  - Special Ed (Base ADM) (0.67)
  - PK Special Ed (0.17)
  - ELL (0.23)
  - Special Ed ESY (1.00)
  - Alternative HS (0.25)
  - Summer School (0.60)
  - Migrant Summer School (1.00)
  - Home School (0.50)
  - At Risk (Poverty) (0.00)
  - At risk (Academically) (0.00)
  - Small Isolated (ADM) (1.00)
  - Small Isolated (Factor) (0.25)
  - Out of State Reciprocity (0.20)
- Weighted ADM Total
- School Size Weighted Factor
- Per Student Payment

# Imputed Taxable Valuation Per Pupil (ITVPP)

- Local Revenues X 75% ÷ Mills + Taxable Valuation ÷ ADM = ITVPP
  - Local Revenue = Unrestricted Tuition (1300) and County Revenue (2900)
  - Mills = District's General Fund Mill Rate (GF3)
  - Taxable Valuation = Taxable Valuation from Property
  - ADM = Average Daily Membership
- Example:

  1,000,0000 X .75 ÷ .150 + 8,000,000 ÷ 400 = 32,500

# Equity Payment

- Must be below 90% of the State Average Imputed Taxable Valuation Per Pupil
  - State Average = $17,801 (2004-05)
  - 90% of State Average = $16,021

- 16,021 – ITVPP X ADM X Mills – [(185 Mills – Mills) X Taxable Valuation] = Equity Payment
  - ITVPP = District's Imputed Taxable Valuation Per Pupil
  - ADM = Average Daily Membership
  - Mills = District's General Fund Mill Rate (GF3)
  - Taxable Valuation = Taxable Valuation from Property

- Example:

  16,021 – 12,847 X 2,531 X .185 – [(.185 - .185) X 30,000,000] = 1,486,178

  16,021 – 8,350 X 400 X .180 – [(.185 - .180) X 3,340,000] = 535,612

# High Valuation Offset

- Must be over 150% of the State Average Imputed Taxable Valuation Per Pupil
  - State Average = $17,801 (2004-05)
  - 150% of State Average = $26,702
- (ITVPP – 26,702 X 185 Mills X ADM) X 75% = High Valuation Offset
  - ITVPP = District's Imputed Taxable Valuation Per Pupil
  - ADM = Average Daily Membership
- Example:

  (32,500 – 26,702 X .185 X 400) X .75 = 321,789

# Minimum Levy Offset

- Must be less than 155 Mills
  - State Average = 199 Mills (GF3) (2004-05)
- 155 – Mills X Taxable Valuation = Minimum Levy Offset
  - Mills = District's General Fund Mill Rate (GF3)
- Example:

.155 - .150 X 8,000,000 = 40,000

# Hold Harmless

- Every School District will receive an increase between 2% - 7% in per pupil state aid, excluding equity districts

- Prior Year State Aid = Foundation Aid + Teacher Compensation + Tuition Apportionment + Special Education ADM + Supplemental Equity Payments

- Prior Year State Aid ÷ ADM X 1.02 = Minimum Increase Per Student
  - 1,300,000 ÷ 400 = 3,250 X 1.02 = 3,315
  - Declining Enrollment = 370 X 3,315 = 1,226,550
  - Increasing Enrollment = 410 X 3,315 = 1,359,150

- Prior Year State Aid ÷ ADM X 1.07= Maximum Increase Per Student
  - 1,300,000 ÷ 400 = 3,250 X 1.07 = 3,478
  - Declining Enrollment = 370 X 3,478 = 1,286,860
  - Increasing Enrollment = 410 X 3,478 = 1,425,980

# Examples: Current Formula

- District #1
  - ADM = 400
  - Taxable Valuation = 8,000,000
  - Tuition & County = 1,000,000
  - Mill Rate = 150
  - ITVPP = 0
- Main Formula State Aid = 1,200,000
  - Supplemental Equity = 0
  - Mill Deduct = 288,000
  - Minimum Levy Deduct = 0
- Total State Aid = 912,000
- Property Tax = 1,200,000
- Tuition & County = 1,000,000
- Grand Total = 3,112,000
- Total Per Pupil = 7,780

- District #2
  - ADM = 400
  - Taxable Valuation = 3,340,000
  - Tuition & County = 0
  - Mill Rate = 180
  - ITVPP = 0
- Main Formula State Aid = 1,200,000
  - Supplemental Equity = 200,000
  - Mill Deduct = 120,240
  - Minimum Levy Deduct = 0
- Total State Aid = 1,279,760
- Property Tax = 601,200
- Tuition & County = 0
- Grand Total = 1,880,960
- Total Per Pupil = 4,702

# Examples: Current Formula

- District #8
  - ADM = 400
  - Taxable Valuation = 10,680,000
  - Tuition & County = 0
  - Mill Rate = 150
  - ITVPP = 0
- Main Formula State Aid = 1,200,000
  - Supplemental Equity = 0
  - Mill Deduct = 384,480
  - Minimum Levy Deduct = 0
- Total State Aid = 815,520
- Property Tax = 1,602,000
- Tuition & County = 0
- Grand Total = 2,417,520
- Total Per Pupil = 6,044

- District #2
  - ADM = 400
  - Taxable Valuation = 3,340,000
  - Tuition & County = 0
  - Mill Rate = 180
  - ITVPP = 0
- Main Formula State Aid = 1,200,000
  - Supplemental Equity = 200,000
  - Mill Deduct = 120,240
  - Minimum Levy Deduct = 0
- Total State Aid = 1,279,760
- Property Tax = 601,200
- Tuition & County = 0
- Grand Total = 1,880,960
- Total Per Pupil = 4,702

# Examples: Proposed Formula

- District #1
  - ADM = 400
  - Taxable Valuation = 8,000,000
  - Tuition & County = 1,000,000
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 40,000
- Total State Aid = 988,211
- Property Tax = 1,200,000
- Tuition & County = 1,000,000
- Grand Total = 3,188,211
- Total Per Pupil = 7,971

- District #2
  - ADM = 400
  - Taxable Valuation = 3,340,000
  - Tuition & County = 0
  - Mill Rate = 180
  - ITVPP = 8,350 (47%)
- Main Formula State Aid = 1,350,000
  - Equity = 535,612
  - High Valuation Offset = 0
  - Minimum Levy Offset = 0
- Total State Aid = 1,885,612
- Property Tax = 601,200
- Tuition & County = 0
- Grand Total = 2,486,812
- Total Per Pupil = 6,217

# Examples: Proposed Formula
## (Equity)

- District #4
  - ADM = 400
  - Taxable Valuation = 6,408,400
  - Tuition & County = 0
  - Mill Rate = 185
  - ITVPP = 16,021 (90%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 0
  - Minimum Levy Offset = 0
- Total State Aid = 1,350,000
- Property Tax = 1,185,554
- Tuition & County = 0
- Grand Total = 2,535,554
- Total Per Pupil = 6,339

- District #5
  - ADM = 400
  - Taxable Valuation = 3,340,000
  - Tuition & County = 0
  - Mill Rate = 185
  - ITVPP = 8,350 (47%)
- Main Formula State Aid = 1,350,000
  - Equity = 567,654
  - High Valuation Offset = 0
  - Minimum Levy Offset = 0
- Total State Aid = 1,917,654
- Property Tax = 617,900
- Tuition & County = 0
- Grand Total = 2,535,554
- Total Per Pupil = 6,339

# Examples: Proposed Formula

## (High Valuation Offset)

- District #8
  - ADM = 400
  - Taxable Valuation = 10,680,000
  - Tuition & County = 0
  - Mill Rate = 150
  - ITVPP = 26,702 (150%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 0
  - Minimum Levy Offset = 53,400
- Total State Aid = 1,296,600
- Property Tax = 1,602,000
- Tuition & County = 0
- Grand Total = 2,898,600
- Total Per Pupil = 7,247

- District #3
  - ADM = 400
  - Taxable Valuation = 13,000,000
  - Tuition & County = 0
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 65,000
- Total State Aid = 963,211
- Property Tax = 1,950,000
- Tuition & County = 0
- Grand Total = 2,913,211
- Total Per Pupil = 7,283

# Examples: Proposed Formula

## (Tuition/County Revenue)

- District #1
  - ADM = 400
  - Taxable Valuation = 8,000,000
  - Tuition & County = 1,000,000
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 40,000
- Total State Aid = 988,211
- Property Tax = 1,200,000
- Tuition & County = 1,000,000
- Grand Total = 3,188,211
- Total Per Pupil = 7,971

- District #3
  - ADM = 400
  - Taxable Valuation = 13,000,000
  - Tuition & County = 0
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 65,000
- Total State Aid = 963,211
- Property Tax = 1,950,000
- Tuition & County = 0
- Grand Total = 2,913,211
- Total Per Pupil = 7,283

# Examples: Proposed Formula
## (Small/Large)

- District #6
  - ADM = 325
  - Taxable Valuation = 5,372,575
  - Tuition & County = 0
  - Mill Rate = 185
  - ITVPP = 16,531 (93%)
- Main Formula State Aid = 1,150,000
  - Equity = 0
  - High Valuation Offset = 0
  - Minimum Levy Offset = 0
- Total State Aid = 1,150,000
- Property Tax = 985,601
- Tuition & County = 0
- Grand Total = 2,135,601
- Total Per Pupil = 6,571

- District #7
  - ADM = 1,370
  - Taxable Valuation = 19,800,610
  - Tuition & County = 0
  - Mill Rate = 185
  - ITVPP = 14,453 (81%)
- Main Formula State Aid = 4,510,000
  - Equity = 400,000
  - High Valuation Offset = 0
  - Minimum Levy Offset = 0
- Total State Aid = 4,910,000
- Property Tax = 3,633,113
- Tuition & County = 0
- Grand Total = 8,543,113
- Total Per Pupil = 6,236

# High School Tuition
## (West Fargo)

| Current Formula | | Proposed Formula | |
|---|---|---|---|
| Average Cost Per Pupil | 6,881.75 | Average Cost Per Pupil | 6,881.75 |
| Plus Avg. Capital Outlay | 487.02 | Plus Avg. Capital Outlay | 487.02 |
| Plus Avg. Cost for X-C Act. | 202.39 | Plus Avg. Cost for X-C Act. | 202.39 |
| Total Avg. Cost Per Pupil | **7,571.16** | Total Avg. Cost Per Pupil | **7,571.16** |
| State Foundation Aid | 2,879.00 | State Foundation Aid | 3,090.00 |
| Less Mill Deduct Per Pupil | 750.35 | Less Mill Deduct Per Pupil | 0.00 |
| Net State Aid Per Pupil | **2,128.65** | Net State Aid Per Pupil | **3,090.00** |
| Tuition Charge Per Pupil | **5,442.51** | Tuition Charge Per Pupil | **4,481.16** |

# Mill Deduct
## (Current Formula)

- Approximately $600 per ADM is redistributed due to a 41 mill deduct

- Mill Deduct Calculation
  - ADM = 150
  - Tax. Valuation = $2,439,024

- Example:

150 X 600 = 90,000

2,439,024 X .041 = 100,000

Net Effect = -10,000

# Examples: Current Formula

## 2005-06 Revenue

| | ADM | W. Factor | WPU |
|---|---|---|---|
| Pre | 1 | 1.1817 | 1.18 |
| Kind | 15 | 0.6562 | 9.84 |
| 1-6 | 99 | 1.3619 | 134.83 |
| 7-8 | 46 | 1.0080 | 46.37 |
| 9-12 | 97 | 1.2836 | 124.51 |
| | **258** | | 316.73 |

316.73 X **2,765** = 875,758

**38** X 8,268,266 = 314,194 (Mill Deduct)

Foundation Aid Sub-total = **561,564**

## 2006-07 Revenue

| | ADM | W. Factor | WPU |
|---|---|---|---|
| Pre | 1 | 1.1258 | 1.13 |
| Kind | 15 | 0.6710 | 10.07 |
| 1-6 | 99 | 1.3854 | 137.15 |
| 7-8 | 46 | 1.0043 | 46.20 |
| 9-12 | 97 | 1.2864 | 124.78 |
| | **258** | | 319.32 |

319.32 X **2,879** = 919,322

**41** X 8,833,027 = 362,154 (Mill Deduct)

Foundation Aid Sub-total = **557,168**

**Change = -4,396 = -1%**

# SENATE BILL 2200 SUMMARY

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*Section 1*
Adds "weighted average daily membership" to the required contents of the school finance facts publication. "Average daily membership" remains unchanged as the core of the per student payment system and is further defined in Section 22. "Weighted average daily membership" is the sum of ADM and the total of all higher cost student classifications, each calculated by multiplying the students in that category times a weighting factor established in Section 7.

*Section 2*
Deletes obsolete language no longer needed to describe joint powers agreements.

*Section 3*
Provides a state payment for at-risk Kindergarten students attending school beyond a half-day program. Payments are calculated by multiplying the percentage of students qualifying for free and reduced lunch in grades one through six times the number of regular Kindergarten students. School districts have the authority to run the program as they so choose.

*Section 4*
Changes the section regarding state aid for home education to address only those hours that the child actually attends a public school. Payment for monitoring is now covered as a weighting factor in Section 7.

*Section 5*
Provides a technical improvement in the description of how payments are distributed.

*Section 6*
Deletes the September 10th fall enrollment report from the list of required reports that must be on file for districts to receive state funding after October. This leaves the June thirtieth student membership report as the basis for state payments, unless otherwise provided.

*Section 7*
Establishes how the "weighted average daily membership" is determined by delineating the categories of higher cost students and the weighting factor that reflects the funding commitment currently in law, with the exception of the new program for at-risk Kindergarten students. Weighted average daily membership is the sum of the products in this section and regular average daily membership.



Lt. Gov.

*Section 8*
Establishes a single school size weighting factor for every school district in the state ranging from 1.00 for the largest schools to 1.25 for the smallest schools. The table was determined by calculating the blended factor for each district from all the existing weighting factors, and completing a trend analysis that reflects the actual variations in cost per student as school size changes. Ninety-five percent of all districts are within .01 variance of their blended factor. Overall the number of weighted student units is increased by approximately one thousand five hundred. Each district's weighted student units equal their weighted average daily membership times the school size weighting factor. The section includes a hold harmless or best case provision as districts move from one category to the next.

*Section 9*
Establishes the per student payment rate at $3,090 for the first year and $3,169 for the second year of the biennium with no mill deduct. The total state aid payment is the district's weighted student units times the per student payment.

*Section 10*
Division 1 determines baseline funding per weighted student unit for each district for the 2006-2007 school year for purposes of comparison in establishing minimum and maximum payments. It establishes what is included in the state aid comparison, and uses the district's 2007-08 weighted student units.

Division 2 guarantees a minimum payment per weighted student unit for the 2007-08 school year that is at least 102% of the baseline funding per weighted student unit. For each school year thereafter, with no expiration date, the payment per weighted student unit must be equal to at least 103% of the baseline funding per weighted student unit.

Division 3 establishes a maximum allowable payment per weighted student unit, not counting any amount received as equity payments. The payments for the 2007-08 school year may not exceed 107% of the baseline funding per student unit. For each school year thereafter, the maximum annual increase in allowable funding per weighted student unit over the baseline is three percentage points per year, plus the district's share of any increased state aid appropriated for that year.

*Section 11*
Clarifies the statute regarding unaccredited high schools, which removes the school size weighting factor for all students in the first year of no accreditation and assesses a $200 per student penalty each year thereafter..

*Section 12*
Clarifies the statute regarding unaccredited elementary schools in the same way.

*Section 13*
Deletes old language regarding special education ADM payments which have been replaced in Section 7 by a weighting factor for an average percentage population of special education students in each district.

*Section 14*
Deletes all old language regarding supplemental payments and replaces it with the provisions of the new equity payment.

Division 1 establishes an imputed taxable valuation per student for both the state as a whole and for each individual school district. "Imputed taxable valuation" is defined as the valuation of all taxable real property in the district plus an amount determined by dividing 75% of the district's mineral and tuition revenue by the district's general fund mill levy.

Division 2 establishes a "valuation deficiency" for any school district whose imputed taxable valuation per student is less than 90% of the statewide imputed taxable valuation per student. It is calculated by determining the difference between these two and multiplying that difference by the district's average daily membership.

Division 3 states that the district's valuation deficiency is multiplied by the lesser of the district's general fund mill levy or 185 mills, except for special provisions in division 4.

Division 4 provides three special qualifiers on the equity payment: first, the equity payment may not exceed the district's taxable valuation times its general fund mill levy; second, if the district's general fund levy is less than 185 mills, the district's equity payment will be reduced by an amount equal to the difference between the district's mill levy and 185 mills multiplied by the district's taxable valuation; third, if a district's imputed taxable valuation per student is less than 50% of the state average, the equity payment may not be less than 20% of the state average imputed taxable valuation per student times the district's ADM times 185 mills.

Division 5 defines "General fund levy" in this section to include the district's high school transportation levy and its high school tuition levy. It also provides technical definitions of "Mineral revenue" and "Tuition revenue".

*Section 15*
Consolidates the statutory provisions for "Isolated schools". The weighting factor provision is deleted and included in Section 7.

*Section 16*
Provides for a separate "hold harmless" weighting factor to be assigned to school districts electing to cooperate, in accordance with current administrative practices.

*Section 17*
Provides for a separate "hold harmless" weighting factor to be assigned to school districts electing to consolidate in accordance with current administrative practices.

*Section 18*
Deletes hold harmless language now included in Section 8.

*Section 19*
Revises language regarding summer school programs to reflect the fact that the payments are now provided through the weighting factor in Section 7. Removes limitations on summer school payments.

*Section 20*
Streamlines the provisions for a school district to file an appeal on claims made for state payments.

*Section 21*
Provides an offset to a school district's state aid payment if the district's general fund mill levy is below 155 mills in the first year and 160 mills in the second year. The amount is calculated as the difference in mills times the district's taxable valuation.

*Section 22*
Provides an offset to the school district's state aid payment if the district's imputed taxable valuation per student is above 150% of the state average imputed taxable valuation per student. The calculation is the difference between the two in imputed taxable valuation per student, times the district's average daily membership, times 185 mills, and finally times a factor of .75.

*Section 23*
Establishes that average daily membership is calculated at the conclusion of the school year only, that a full school year is the greater of 180 days or the school district's own calendar, and that average daily membership is composed of three parts for payment purposes: 1) a student in grades 1-12, capped at 1.00; 2) a student in an approved regular education Kindergarten program, capped at 0.50; 3) and a student in an approved early childhood education program, capped at 1.00. In each category, the membership may be prorated for a student who is enrolled less than full time, or full time equivalent.

*Section 24*
Allows students from school districts that were dissolved in the prior year to be counted in their new districts.

*Section 25*
Restores a paragraph of existing statute regarding deductions for excessive ending fund balances because the remainder of the section is being repealed.

*Section 26*
Provides that funds distributed from the state tuition fund be included in state aid payments rather than be distributed according to the number of school age children residing in each district.

*Section 27*
Deletes obsolete language regarding students attending school in a bordering state and clarifies that they are counted in the district of residence for average daily membership and weighting factor purposes.

*Section 28*
Deletes references to tuition apportionment payments.

*Section 29*
Clarifies that the amount subtracted from tuition payments will be the per student payment times the school size weighting factor, but no longer reduced by the mill deduct.

*Section 30*
In cases where students are placed for non-educational purposes, provisions for payment of tuition are expanded to include tutoring charges.

*Section 31*
Levies for tuition payments may also include tutoring charges.

*Section 32*
Deletes language regarding tuition apportionment and payment directives for open enrollment. Per student payments are now controlled by average daily membership and weighting factor provisions.

*Section 33*
Makes the new provisions of special education compatible with this open enrollment section.

*Section 34*
Deletes language regarding the state tuition fund.

*Section 35*
Allows each school district to provide special education through an educational association governed by a joint powers agreement, in addition to the two current options, as a single district or as a multidistrict unit.

*Section 36*
Deletes obsolete language regarding payment directives for special education because of the new provisions for average daily membership and weighting factors. Reaffirms that the student's school district of residence is liable for the cost of educating the student and allows the state superintendent to make financial settlements in the event of non-payment.

*Section 37*
Updates the special education provisions for attendance at private institutions or out-of-state public schools. Students in this situation are deemed to be enrolled in the student's district of residence for determining average daily membership.

*Section 38*
The title is updated.

*Section 39*
Revises the provisions for special education on the so-called "contract" portion of reimbursement.

Division 1 requires the superintendent of public instruction to identify the approximately one percent of the special education population that require the greatest expenditures. This benchmark population is approximately the same students that may require some level of excess cost reimbursement from the state. This group does not include agency placed and state responsible students covered by the provisions of Section 15.1-29-14.

Division 2 affirms that the state is entirely responsible for paying the excess costs of special education and related services for those students.

Division 3 defines "excess costs" are those that exceed four and one-half times the state average cost of education per student and which are incurred by the special education students in subsection 1.

Division 4 states that all costs for these students, other than excess costs reimbursed by the state, are the responsibility of the district.

*Section 40*
In this section regarding multidistrict special education units, language is omitted that would limit the school district to two options.

*Section 41*
Provides an equity program for school districts facing major construction and remodeling costs.

Division 1 expands the amount of loan funds available from the coal development trust fund to fifty million dollars.

Division 2 requires that the project be approved by the superintendent of public instruction and demonstrate long-term need as required under Section 15.1-36-01. Each project proposed must have a cost of at least one million dollars and a useful life of at least thirty years.

Division 3 requires that the superintendent give priority to school districts that qualify for equity payments.

Division 4 establishes terms for a loan to any school district whose imputed taxable valuation per student is below 80% of the statewide average.

Division 5 establishes terms for a loan to any school district whose imputed taxable valuation per student is 80-90% of the statewide average.

Division 6 establishes terms for a loan to any school district whose imputed taxable valuation per student is over 90% of the statewide average.

Division 7 through 11 updates language regarding school construction loans and omits phrases that are no longer applicable.

***Section 42***

Provides an incentive for school districts that resolve to plan their future together and undertake a construction project as part of a reorganization plan.

Division 1 establishes that two or more school districts that meet the necessary criteria as outlined may receive loan funds up to $13,500,000 and an interest rate buy-down of up to 300 basis points.

Division 2 requires that the scope of the consolidation, as outlined in Division 1b, reach a threshold of eligibility equal to at least twenty percent of the total project cost.

***Section 43***

Establishes the definition for "English language learner" as used for the new weighting factors.

***Section 44***

Establishes English language learner eligibility for inclusion in the weighting factors in Section 7 and thereby eligibility for state payments.

Division 1 requires a Level 1 or Level 2 language proficiency classification as determined by the current test used by the Department of Public Instruction.

Division 2 requires that the program of instruction be approved by the superintendent.

*Section 45*
Removes obsolete language regarding the mill levy deduct.

*Section 46*
Authorizes the continuation of the Commission on Education Improvement, which is one of the items negotiated by the plaintiff group as a requirement for dismissal.

*Section 47*
Continues the current provisions regarding 70% of new per student payment amounts going to teacher compensation.

*Section 48*
Repeals various unnecessary sections of the Century Code.

*Section 49*
Appropriates $2,000,000 to JPA's.

*Section 50*
Appropriates $1,200,000 to pilot projects that establish new area career and technology centers.

*Section 51*
Appropriates $800,000 to the state board for career and technical education to encourage greater cooperative delivery of career and technical education programs.

*Section 52*
Provides state funds directly to school districts for deferred maintenance.

*Section 53*
Provides contingency uses for surplus state funds as follows:

1) $1,000,000 for any un-reimbursed excess costs for special education contract charges.
2) $1,000,000 for JPA's.
3) Additional per student payments.

*Section 54*
Authorizes a Bank of North Dakota transfer for any further un-reimbursed excess costs for special education contract charges.

*Section 55*
Section 46, continuation of the Commission on Education Improvement, is declared an emergency.

2-71

# ENGROSSED SENATE BILL 2200 SUMMARY

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***Section 1***

Adds "weighted average daily membership" to the required contents of the school finance facts publication. "Average daily membership" remains unchanged as the core of the per student payment system and is further defined in Section 22. "Weighted average daily membership" is the sum of ADM and the total of all higher cost student classifications, each calculated by multiplying the students in that category times a weighting factor established in Section 7.

***Section 2***

Deletes obsolete language no longer needed to describe joint powers agreements.

***Section 3***

Provides a state payment for at-risk Kindergarten students attending school beyond a half-day program. Payments are calculated by multiplying the percentage of students qualifying for free and reduced lunch in grades one through six times the number of regular Kindergarten students. School districts have the authority to run the program as they so choose.

***Section 4***

Changes the section regarding state aid for home education to address only those hours that the child actually attends a public school. Payment for monitoring is now covered as a weighting factor in Section 7.

***Section 5***

Provides a technical improvement in the description of how payments are distributed.

***Section 6***

Deletes the September 10 fall enrollment report from the list of required reports that must be on file for districts to receive state funding after October. This leaves the June 30 student membership report as the basis for state payments, unless otherwise provided.

***Section 7***

not applicable

Establishes how the "weighted average daily membership" is determined by delineating the categories of higher cost students and the weighting factor that reflects the funding commitment currently in law, with the exception of the new program for at-risk Kindergarten students. Weighted average daily membership is the sum of the products in this section and regular average daily membership. The Senate reduced the special education

supports 6 mil

ADM factor to 0.063 in order to raise $2.6 million for the contract side of special education. The Commission does not support that change because it has already recommended a $2 million increase, or 13% over the current funding for special education contracts.

***Section 8***

Establishes a single school size weighting factor for every school district in the state ranging from 1.00 for the largest schools to 1.25 for the smallest schools. The table was determined by calculating the blended factor for each district from all the existing weighting factors, and completing a trend analysis that reflects the actual variations in cost per student as school size changes. Ninety-five percent of all districts are within .01 variance of their blended factor. Overall the number of weighted student units is increased by approximately one thousand five hundred. Each district's weighted student units equal their weighted average daily membership times the school size weighting factor. This section includes a hold harmless or best case provision as districts move from one category to the next.

***Section 9***

Establishes the per student payment rate at $3,042 for the first year and $3,140 for the second year of the biennium with no mill deduct. The total state aid payment is the district's weighted student units times the per student payment.

***Section 10***

Division 1 determines baseline funding per weighted student unit for each district for the 2006-2007 school year for purposes of comparison in establishing minimum and maximum payments. It establishes what is included in the state aid comparison, and uses the district's 2007-2008 weighted student units.

Division 2 guarantees a minimum payment per weighted student unit for the 2007-2008 school year that is at least 102% of the baseline funding per weighted student unit. For each school year thereafter, with no expiration date, the payment per weighted student unit must be equal to at least 103% of the baseline funding per weighted student unit.

Division 3 establishes a maximum allowable payment per weighted student unit, not counting any amount received as equity payments. The payments for the 2007-2008 school year may not exceed 107% of the baseline funding per student unit. For each school year thereafter, the maximum annual increase in allowable funding per weighted student unit over the baseline is three percentage points per year, plus the district's share of any increased state aid appropriated for that year.

***Section 11***

Clarifies the statute regarding unaccredited high schools, which removes the school size weighting factor for all students in the first year of no accreditation and assesses a $200 per student penalty each year thereafter.

***Section 12***
Clarifies the statute regarding unaccredited elementary schools in the same way.

***Section 13***
Deletes old language regarding special education ADM payments which have been replaced in Section 7 by a weighting factor for an average percentage population of special education students in each district.

***Section 14***
Deletes all old language regarding supplemental payments and replaces it with the provisions of the new equity payment.

Division 1 establishes an imputed taxable valuation per student for both the state as a whole and for each individual school district. "Imputed taxable valuation" is defined as the valuation of all taxable real property in the district plus an amount determined by dividing 75% of the district's mineral and tuition revenue by the district's general fund mill levy. The Senate reduced this percentage to 50% of the district's mineral and tuition revenue. The Commission does not support this amendment because it had already reduced the percentage from 100% to 75% in response to testimony that oil and gas impacted schools have additional hidden costs.

Division 2 establishes a "valuation deficiency" for any school district whose imputed taxable valuation per student is less than 90% of the statewide imputed taxable valuation per student. It is calculated by determining the difference between these two and multiplying that difference by the district's average daily membership.

Division 3 states that the district's valuation deficiency is multiplied by the lesser of the district's general fund mill levy or 185 mills, except for special provisions in Division 4.

Division 4 provides three special qualifiers on the equity payment: first, the equity payment may not exceed the district's taxable valuation times its general fund mill levy; second, if the district's general fund levy is less than 185 mills, the district's equity payment will be reduced by an amount equal to the difference between the district's mill levy and 185 mills multiplied by the district's taxable valuation; third, if a district's imputed taxable valuation per student is less than 50% of the state average, the equity payment may not be less than 20% of the state average imputed taxable valuation per student times the district's ADM times 185 mills. generates for reservation schools - no taxable value

The Senate amended in an additional Division 5 which states that in the case of the equity payment only, a school district receiving funds as a result of PL 81-874 will not have either the military students or the military funds counted in the calculation of the equity payment. The Commission supports this amendment.

Division 6 defines "general fund levy" in this section to include the district's high school transportation levy and its high school tuition levy. It also provides technical definitions of "mineral revenue" and "tuition revenue."

***Section 15***
Consolidates the statutory provisions for "isolated schools." The weighting factor provision is deleted and included in Section 7. The Senate amended the definition to lower the travel distance required for at least 15% of the high school students from 20 miles to 15 miles. The Commission supports this amendment because it agrees that these types of schools do face higher costs than typical schools.

***Section 16***
Provides for a separate "hold harmless" weighting factor to be assigned to school districts electing to cooperate, in accordance with current administrative practices.

***Section 17***
Provides for a separate "hold harmless" weighting factor to be assigned to school districts electing to consolidate in accordance with current administrative practices.

***Section 18***
Deletes hold harmless language now included in Section 8.

***Section 19***
Revises language regarding summer school programs to reflect the fact that the payments are now provided through the weighting factor in Section 7. Removes limitations on summer school payments.

***Section 20***
Streamlines the provisions for a school district to file an appeal on claims made for state payments.

***Section 21***
Provides an offset to a school district's state aid payment if the district's general fund mill levy is below 155 mills in the first year and 160 mills in the second year. The amount is calculated as the difference in mills times the district's taxable valuation. The Senate amended the levels to 150 mills in year one and 155 mills in year two. The Commission supports the amendment because it reduces the impact on a few schools with very low mill levies.

***Section 22***
Provides an offset to the school district's state aid payment if the district's imputed taxable valuation per student is above 150% of the state average imputed taxable valuation per student. The calculation is the difference between the two in imputed taxable valuation per

student, times the district's average daily membership, times 185 mills, and finally times a factor of .75.

***Section 23***
Establishes that average daily membership is calculated at the conclusion of the school year only, that a full school year is the greater of 180 days or the school district's own calendar, and that average daily membership is composed of three parts for payment purposes: 1) a student in grades 1-12, capped at 1.00; 2) a student in an approved regular education Kindergarten program, capped at 0.50; 3) and a student in an approved early childhood education program, capped at 1.00. In each category, the membership may be prorated for a student who is enrolled less than full time, or full time equivalent.

***Section 24***
Allows students from school districts that were dissolved in the prior year to be counted in their new districts.

***Section 25***
Restores a paragraph of existing statute regarding deductions for excessive ending fund balances because the remainder of the section is being repealed.

***Section 26***
Provides that funds distributed from the state tuition fund be included in state aid payments rather than be distributed according to the number of school age children residing in each district.

***Section 27***
Deletes obsolete language regarding students attending school in a bordering state and clarifies that they are counted in the district of residence for average daily membership and weighting factor purposes.

***Section 28***
Deletes references to tuition apportionment payments.

***Section 29***
Clarifies that the amount subtracted from tuition payments will be the per student payment times the school size weighting factor, but no longer reduced by the mill deduct.

***Section 30***
In cases where students are placed for non-educational purposes, provisions for payment of tuition are expanded to include tutoring charges.

***Section 31***
Levies for tuition payments may also include tutoring charges.

*Section 32*
Deletes language regarding tuition apportionment and payment directives for open enrollment. Per student payments are now controlled by average daily membership and weighting factor provisions. The Senate removed another sentence that is unnecessary, and the Commission concurs.

*Section 33*
Makes the new provisions of special education compatible with this open enrollment section. The Senate amendment clarifies that the school district of residence is the initial recipient of excess cost funds in open enrollment situations, and the Commission concurs.

*Section 34*
Deletes language regarding the state tuition fund.

*Section 35*
Allows each school district to provide special education through an educational association governed by a joint powers agreement, in addition to the two current options, as a single district or as a multi-district unit.

*Section 36*
Deletes obsolete language regarding payment directives for special education because of the new provisions for average daily membership and weighting factors. Reaffirms that the student's school district of residence is liable for the cost of educating the student and allows the state superintendent to make financial settlements in the event of non-payment.

*Section 37*
Updates the special education provisions for attendance at private institutions or out-of-state public schools. Students in this situation are deemed to be enrolled in the student's district of residence for determining average daily membership.

*Section 38*
The title is updated.

*Section 39*
Revises the provisions for special education on the so-called "contract" portion of reimbursement.

Division 1 requires the superintendent of public instruction to identify the approximately one percent of the special education population that require the greatest expenditures. This benchmark population is approximately the same students that may require some level of excess cost reimbursement from the state. This group does not include agency placed and state responsible students covered by the provisions of Section 15.1-29-14.

Division 2 affirms that the state is entirely responsible for paying the excess costs of special education and related services for those students.

Division 3 defines "excess costs" as those that exceed 4½ times the state average cost of education per student and which are incurred by the special education students in subsection 1. The Senate amended the multiplier down from 4½ times cost to 3½ times cost, which adds $2.6 million to the contract side of special education, and reduced the multiplier further for the following two biennia. As stated earlier, the Commission does not support the amendment because a $2 million increase, or 13%, was already recommended for special education contracts.

Division 4 states that all costs for these students, other than excess costs reimbursed by the state, are the responsibility of the district.

The Senate amended in an additional Division 5 regarding an overall limit on special education costs for a school district. The Commission is neutral on this amendment because it believes that the original intent was to limit the total cost of any single student, and the language as passed does not reflect that intent.

***Section 40***

In this section regarding multi-district special education units, language is omitted that would limit the school district to two options.

***Section 41***

Provides an equity program for school districts facing major construction and remodeling costs.

Division 1 expands the amount of loan funds available from the coal development trust fund to fifty million dollars.

Division 2 requires that the project be approved by the superintendent of public instruction and demonstrate long-term need as required under Section 15.1-36-01. Each project proposed must have a cost of at least one million dollars and a useful life of at least thirty years.

Division 3 requires that the superintendent give priority to school districts that qualify for equity payments.

Division 4 establishes terms for a loan to any school district whose imputed taxable valuation per student is below 80% of the statewide average.

Division 5 establishes terms for a loan to any school district whose imputed taxable valuation per student is 80-90% of the statewide average.

Division 6 establishes terms for a loan to any school district whose imputed taxable valuation per student is over 90% of the statewide average.

Division 7 through 11 updates language regarding school construction loans and omits phrases that are no longer applicable.

***Section 42***
Provides an incentive for school districts that resolve to plan their future together and undertake a construction project as part of a reorganization plan.

Division 1 establishes that two or more school districts that meet the necessary criteria as outlined may receive loan funds up to $13,500,000 and an interest rate buy-down of up to 300 basis points.

Division 2 requires that the scope of the consolidation, as outlined in Division 1b, reach a threshold of eligibility equal to at least twenty percent of the total project cost.

***Section 43***
Establishes the definition for "English language learner" as used for the new weighting factors.

***Section 44***
Establishes English language learner eligibility for inclusion in the weighting factors in Section 7 and thereby eligibility for state payments.

Division 1 requires a Level 1 or Level 2 language proficiency classification as determined by the current test used by the Department of Public Instruction.

Division 2 requires that the program of instruction be approved by the superintendent.

***Section 45***
Removes obsolete language regarding the mill levy deduct.

***Section 46***
Authorizes the continuation of the Commission on Education Improvement, which is one of the items negotiated by the plaintiff group as a requirement for dismissal.

***Section 47***
Continues the current provisions regarding 70% of new per student payment amounts going to teacher compensation.

***Section 48***
The Senate amended this section to include a paragraph stating that if a military base school district begins direct provision of education to its students, it is entitled to count all students

in its ADM for both state aid and equity payments. The Commission supports this amendment. The Senate added another amendment that removes three sections of law from the list of sections being repealed by the bill. Those reinstated sections provide that $50,912,120 will not be included in the new formula but will continue to be distributed under the "per teacher" distribution method. The Commission does not support this amendment because it compromises the important principle of distributing all funds under a single comprehensive formula for maximum equity. Various other sections to be repealed are still listed here.

***Section 49***
Repeals various unnecessary sections of the Century Code.

***Section 50***
Appropriates $2,000,000 to JPA's.

***Section 51***
Appropriates $1,200,000 to pilot projects that establish new area career and technology centers. These funds are also provided in the CTE budget bill. simply refer to budget bill

***Section 52***
Appropriates $800,000 to the state board for career and technical education to encourage greater cooperative delivery of career and technical education programs. These funds are also provided in the CTE budget bill.

***Section 53***
Provides state funds directly to school districts for deferred maintenance.

***Section 54***
Provides contingency uses for surplus state funds as follows:

1) $1,000,000 for any un-reimbursed excess costs for special education contract charges.
2) $1,000,000 for JPA's.
3) Additional per student payments.

***Section 55***
Authorizes a Bank of North Dakota transfer for any further un-reimbursed excess costs for special education contract charges.

***Section 56***
Section 46, continuation of the Commission on Education Improvement, is declared an emergency.

## TERMINOLOGY
## K-12 FUNDING FORMULAS

| | |
|---|---|
| 1) Base ADM | The figure that represents the number of students in grades 1-12 together with the number of students in kindergarten multiplied by .50, and the number of students enrolled in early childhood special education programs. |
| 2) ELL Student | A student who is an English language learner as defined in the North Dakota Century Code. |
| 3) Equity Payment | A special payment to school districts to offset the deficiency of revenues caused by inadequate taxable valuation. |
| 4) ESY Program | Extended school year program for students with disabilities. |
| 5) Imputed Taxable Valuation | The taxable valuation of real property plus the theoretical valuation created by dividing 75 percent of a district's mineral and unrestricted tuition income by the district's General Fund mill levy. |
| 6) Missing Valuation Per Student | The amount by which a district's imputed taxable valuation per student falls below the state average imputed taxable valuation per student. |
| 7) Per Student Payment | The state payment for each weighted student unit. |
| 8) School District Size Weighting Factor | The factor that adjusts for the costs of operating school districts of various sizes. |
| 9) State Aid Payment | The total of all state dollars paid to a school district under the main education funding formula. |
| 10) Total Valuation Deficiency | The Missing Valuation per student multiplied by the district's Base ADM. |
| 11) Weighted ADM | The figure that results from adding the base ADM with the weighting factor adjusted ADM. |



Lt. Gov.

12) Weighted Student Units — The student payment units determined by multiplying the weighted ADM by the school district size weighting factor.

13) Weighting Factor — The amount that is added to the base factor of 1.00 and which reflects the added cost of educating a student in each of several categories.

# UNDERSTANDING SCHOOL FINANCE FOR NORTH DAKOTA K-12 SCHOOLS

**Chapter 1: A Short History of Federal and State Involvements in K-12 Education**

**Chapter 2: Taxes and Funding Public Education in North Dakota**

**Chapter 3: The School Funding System In North Dakota**

**Chapter 4: Major Issues, Problems, and Potential Solutions**

**Department of Educational Leadership**
**University of North Dakota**

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Chapter 1

# Understanding School Finance: A Short History of Federal and State Involvements in K-12 Education

By

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## Introduction

Governor Hoeven has appointed a special Task Force to examine how North Dakota can add $60,000,000 in aid to schools and do it in a way that makes the funding of education in our state more adequate and equitable. It was his leadership with this initiative that caused the school districts suing the state to put their lawsuit on hold and join the effort to resolve the issues about school funding provided by the North Dakota Legislature to the schools of this state.

## Purpose and Organization of the Monograph

To assist the taxpayers of the state, and perhaps even some members of the Task Force and/or the Legislature, to understand more fully and clearly the implications of changing the North Dakota school funding law, a group from the Educational Leadership Department of the University of North Dakota is collaborating to provide information they believe will be helpful. To that end, a monograph, including four chapters, will be published and widely distributed. This chapter will focus on the development of school finance in America and on the US and State Constitutional obligations of the Legislative branch of government and its obligations as these apply to the public elementary and secondary schools. A second chapter will address the major sources of taxation used to finance schools in North Dakota. The tax on property will be emphasized, but other taxes will also be discussed. The third chapter will focus on how the process for funding schools is done. It will include information to assist an individual citizen to calculate her/his property tax as well as a system for understanding where the taxes for the school district are generated and how they are computed. The final chapter will describe what the writers see as the inadequacies of the current funding plan, believe to be the important issues for citizens in North Dakota to consider when attempting to determine how North Dakota schools should be financed, and propose an alternative approach to school funding for our schools. The proposed alternative will include options (and their implications) to be considered by citizens, the Task Force, and the North Dakota Legislative Assembly

## Historic Roots of School Finance

While the roots of taxation for funding education reach back into Europe, we will begin this discussion with what is called "The Old Deluder Satan" laws of the Massachusetts Bay Colony passed in 1647. The law proclaims that a "*chief project of y ould deluder, Satan, is to keepe men from the knowledge of y Schriptures.*"[1] The law goes on to say that every town in the jurisdiction, after it reaches 50 households, is to appoint a townsperson to teach all the children to read and write. Further, this teacher is to be paid either by the parents or by the inhabitants in general. Later, when the town expands to 100 households, the citizens shall establish a grammar school to instruct youth so they will be fit for study at the university. A failure to uphold this law would result in a fine to the town of 5 £ per year which was to go to the school and to be assessed yearly until the community established the school. From this you can see that publicly financed schools actually preceded the founding of our country.

The colonies grew and there was a continuing desire of many colonists to be free from the rule of the King of England. The colonists revolted. The King sent soldiers and sailors to put down the rebellion, but they were defeated in the American Revolution. The colonists then had to establish a government to deal with their common interests and needs. To this end, the Second Continental Congress met in the House of Burgesses in Williamsburg, VA, and wrote the Articles of Confederation in November of 1777. These laws named the union of these states The United States of America and spelled out the rules for the governance of our new nation.

Under the governance of the Articles of Confederation, the Congress passed the Land Ordinance of 1785 and the Northwest Ordinance of 1787. These ordinances had to do with surveying the land in territory belonging to the United States that was generally west of the Appalachian Mountains, north of the Ohio River, and east of the Mississippi. These ordinances set out Townships in land sections of six miles by six miles or thirty-six square miles. Each square mile was numbered and the law provided that "*there shall be reserved the lot No. 16, of every township, for the maintenance of public schools, within the said township; also one-third part of all gold, silver, lead and copper mines, to be sold, or otherwise disposed of as Congress shall hereafter direct.*"[2] Here we have the first national laws for the public support of education.

Many important documents, speeches, and newspaper articles influenced the country's leaders about how the government was to be structured. None, however, were equal in importance to the new Constitution that provided a stronger central government. In May of 1787, the Federal Convention met in Independence Hall in Philadelphia, PA, to revise the Articles of Confederation that leaders could see wasn't working well. By September, the convention members had adopted the new United States Constitution. The revised document had to be ratified by the states and that was accomplished in 1789.

## The US Constitution and Bill of Rights as Related to School Funding

In 1789, James Madison drafted the Bill of Rights. These first ten amendments to the US Constitution were revised and adopted by the Congress in that same year. These also had to be

ratified by three quarters of the states and that was completed in 1791. Thus, the Bill of Rights became part of the US Constitution in our very early history.

Several parts of the Constitution and of the Bill of Rights pertain to federal involvement in education. For the purpose of this discussion, we will only examine those parts that have substantial impact on the financing of education by the federal government. First, we want to point out what is called the "reserved powers" clause spelled out in the Tenth Amendment. It says, "*The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.*"[3] Because education is not **specifically** mentioned in the US Constitution, it is widely agreed that it is a right and a responsibility "reserved to the states" sometimes referred to as one of the "state's rights."

Most citizens know that the federal government has a Department of Education and that the federal government supplies finances to schools in a variety of ways. If education is a state's right, how is that possible? The basic answer is found in Article I, Section 8 of the US Constitution, which begins, "*The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States...*"[4] This is sometimes called the "general welfare" clause by educators and it gives the federal government the power to become involved in anything that is considered to be in the overall interests of the nation, things like the education of the citizenry which has enormous national implications.

Federal involvement in schools was somewhat limited until the Soviet Union put Sputnik in orbit in 1957. In those days of the "space race," it was thought that the United States was educationally behind the Soviets. The Congress and the President agreed that there was a need for money to assist education to produce more scientists and engineers. As a result of this common view, a substantial amount of federal money was invested in secondary and elementary education through the National Science Foundation. In addition, the Congress and President Dwight Eisenhower passed the first National Defense Education Act (NDEA) in 1958. The law emphasized mathematics, science, and foreign language, but it also had an impact on all the instructional areas of the schools. President Kennedy, elected in 1960, forwarded that initiative by challenging Americans to put a man on the moon in 10 years, a goal that was achieved. After Kennedy's tragic assassination, his successor, Lyndon Johnson, initiated the "great society" program that included a declared "war on poverty." In 1965, Johnson led the Congress in reauthorizing the National Defense Education Act with a new K-12 emphasis intended to close the achievement gap between advantaged students and disadvantaged students. Large sums of money were spent on low performing children in a variety of different programs. Some 30 years later, President George W. Bush led the Congress in 2000 in another reauthorization of the same program under the new name No Child Left Behind (NCLB). The NCLB legislation had similar but also broader goals. It also had rigid requirements for annual student academic improvement in reading and math and then later in science and social studies. It also proposed stiff "subject matter" qualifications for teachers. Local educators argued that the student academic achievement was unrealistic. Local administrators argued that knowledge of subject matter was not the most important knowledge base for effective teaching and that the teachers in their schools were already highly qualified. The federal guidelines pitted many state educators against the federal bureaucracy. The issue of whether the state and local government was to control the

education of children was a major consideration of the State Education Agencies, the State Teacher Associations, the school districts, and the other professional societies in their differences with the federal Department of Education.

There are many other federal programs that support schools. These include the federal school lunch program assistance, special education, English as a second language programs, etc. The purpose here is not to provide an exhaustive explanation of federal involvements in education, but instead to show the way schools get funding support and the reasons that support the decision to provide such funding.

One of the provocative issues associated with the federal government's involvement in education is that of funding. If school districts accept federal dollars, any federal dollars, they are obligated to follow the rules of the federal government. The rules of the federal government impose many restrictions and obligations on local school districts. In addition, the federal government has a history of failing to fund laws they pass at the level of commitment that was promised to states and local school districts. The laws about special education are a dramatic case in point. The feds promised to fund special education at 40% of the cost of delivering the programs. Their contribution now is actually about 11% of that cost. So, why do schools accept federal dollars? It's because their overall contribution amounts to about 10% of most school district's budgets. It's more than districts can afford to turn down.

## The North Dakota Constitution as Related to School Funding

We will turn now to a discussion of the state obligations for funding education. There are 50 states, plus the District of Columbia, so there are 51 different ways that schools are funded. Supreme Courts from several states have declared their state's school finance programs to be unconstitutional. The arguments surround an approach to educational funding called the school foundation program and how the laws that govern the foundation program distribute resources to school districts. There is a widely agreed theory in school finance that asserts that every student in a state's education system is, at least theoretically, potentially equal in value to the state, and so the resources for educating each student should be **equitable** so that every student has as good a chance as every other student to get a high quality education. Equitable is a much more difficult word to define than is the word equal. Equity means, for example, that the wealth of one school district should not give a decided advantage or disadvantage to children being educated in that district over other children in the state. Putting this concept into practice is an extremely difficult thing to accomplish. We believe it can never be accomplished so that it is unfailingly fair. At the same time, we believe it can be accomplished in a way that is substantially fair. It is the violation this concept that has twice caused coalitions of school districts in North Dakota to sue the state for a redress, as a means to insist that the system for funding schools be made more fair. We believe that school districts decide to sue the state because they sincerely believe that children in their schools suffer when they perceive they are not getting the district' s fair share of funding provided by the state. And, yes, of course there are other considerations too.

The North Dakota Constitution addresses education extensively. Article VIII, Sections 1, 2, 3, and 4 all address K-12 education. These sections are quoted below:

> *Section 1. A high degree of intelligence, patriotism, integrity and morality on the part of every voter in a government by the people being necessary in order to insure the continuance of that government and the prosperity and happiness of the people, the legislative assembly shall make provision for the establishment and maintenance of a system of public schools which shall be open to all children of the state of North Dakota and free from sectarian control. This legislative requirement shall be irrevocable without the consent of the United States and the people of North Dakota.*
>
> *Section 2. The legislative assembly shall provide for a uniform system of free public schools throughout the state, beginning with the primary and extending through all grades up to and including schools of higher education, except that the legislative assembly may authorize tuition, fees and service charges to assist in the financing of public schools of higher education.*
>
> *Section 3. In all schools instruction shall be given as far as practicable in those branches of knowledge that tend to impress upon the mind the vital importance of truthfulness, temperance, purity, public spirit, and respect for honest labor of every kind.*
>
> *Section 4. The legislative assembly shall take such other steps as may be necessary to prevent illiteracy, secure a reasonable degree of uniformity in course of study, and to promote industrial, scientific, and agricultural improvements.*[5]

It is Article VIII, Section 2 of the ND Constitution that is most applicable to the financing of K-12 school issues. It says the Legislature is to provide a "*uniform system of free public schools throughout the state*" that includes all the grades in the public school system. The word "uniform" suggests the equality that was discussed earlier. There are so many things that effect equality when attempting to establish it in school financing. There is property wealth, there is income wealth, there is renewable wealth, there is one time "severance" wealth, there is "evenness" in assessment, there is the cost of functioning, there is efficiency, there is the problem of qualifications associated with those who deliver educational services, and on and on. How do we meet our Constitutional obligations and our obligations as citizens and at the same time devise a system that is fair and just, a system we would be happy to live with, a system we believe would provide our children with a first rate education no matter where we lived or which community we relocated to in North Dakota?

The United States Constitution also has pertinent information in the Fourteenth Amendment, Section 1 (ratified in 1868) called the equal protection clause. It is a citizenship right that requires equal protection of the laws to all citizens of the United States.

> *1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they*

*reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.*[6]

The North Dakota Constitution speaks on the same issues in Article I, Sections 21 and 22. It states:

*Section 21. No special privileges or immunities shall ever be granted which may not be altered, revoked or repealed by the legislative assembly; nor shall any citizen or class of citizens be granted privileges or immunities which upon the same terms shall not be granted to all citizens.*

*Section 22. All laws of a general nature shall have a uniform operation.*

This makes it clear that if one citizen is entitled to a particular quality of education in North Dakota then every citizen, even though s/he be a child, is entitled to the same particular quality of education in the state. These protections make it clear that the Legislative Assembly, as the representative of the people, is obliged to provide an equitable educational opportunity to all the children of the state.

Providing adequate funding to support the elementary and secondary schools of North Dakota is, at best, a difficult problem for government. We live in a state that is sparsely populated. We think it is wrong to expect children to ride a long time on school buses getting to and from schools. This likely means we will have to support some rather small schools, because of the sparse population in portions of the state. Schools with a small student body find it difficult to get the advantages of economy of size. We think most parents do not want their elementary and secondary school children to have to live away from home in order to attend school. We are experiencing a major decline in enrollments in the K-12 schools. Our youth are attracted to higher paying jobs located in America's cities, thus limiting the new sources of income and revenue for the state to draw on for solutions to problems. These phenomena, and others, impact schools all across rural America. Still, difficult as it may be, the problem must be resolved.

Many of these factors contribute to changes that cause what once may have been a balanced system to become unbalanced. The factors themselves do not provide decision makers a clear path to changes that result in an equitable education for all the children of the state. However, when forces, no matter what kind, get out of balance and lead to inequitable school funding, it becomes a major challenge of legislators to rebalance them. Providing a quality education to all the states children is one of the major responsibilities of the legislative assemble. Their choice and challenge is only how to accomplish this equitable balancing.

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End Notes

[1] K. Alexander and M. D. Alexander, *American Public School Law* ( 6th ed.) (Belmont, CA: Thompson/West, 2005), p. 28.
[2] http://en.wikipedia.org/wiki/Land_Ordinance_of_1785
[3] http://en.wikipedia.org/wiki/Tenth_Amendment_to_the_United_States_Constitution
[4] http://www.archives.gov/national-archives-experience/charters/constitution_transcript.html
[5] http://www.legis.nd.gov/constitution/const.pdf
[6] http://www.usconstitution.net/const.html#Am14

Chapter 2

# Understanding School Finance: Taxes and Funding Public Education in North Dakota

By

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In this chapter, we will discuss the various kinds of taxes, fees, and other sources of money we pay to underwrite the costs of educating children in North Dakota. In Chapter 1, we said that each state had a different system for funding education. It follows then that every state has a different system of taxation for funding schools. In this article we will only be discussing some of the taxes, fees, and other sources of revenue used to support the K-12 schools in North Dakota. With regard to taxes, we address the local property tax and the state tax sources from which the state, and therefore the schools, get the most dollars. We believe it is essential for you to have some understanding of taxation in order for you to understand whether the state has or lacks a fair and equitable system for funding schools. We hope that by expanding this understanding we can contribute to the public discussion about school funding so that individual citizens will feel more confident to raise questions and offer thoughtful ideas about ways to solve the issues of adequacy and equity in providing needed resources for our schools.

## ABOUT "OTHER" WAYS SCHOOLS GET MONEY

Schools get money in many different ways to accomplish many different goals. We'll just bet you have had students from a nearby school knock on your door this year to sell you something (chocolate, pizza, a magazine subscription, a booklet of coupons for services) and you have driven past a parking lot where students wave for you to come in and get a car wash, and you have given a cake or a pie or cookies for a school bake sale, and you have attended a chili supper or a carnival at the school, and all for good purposes—taking the choir on a trip, taking the American History students to Washington, DC, buying technology for the school library, and the like. The dollars provided are used for good purposes and assist the students in a positive way, but they are neither taxes nor fees. Most often they are not even deductible on your income taxes, because you get a product or service for your dollars.

Businesses and private citizens are often asked to donate for some good school cause—lockers for the dressing rooms in the new gym, band uniforms, carpeting for the hallways to

reduce the interruption of noise in classrooms, and other needed things that are beyond the resources of the school. Donations to schools are at least tax deductible in most cases.

Many schools invite parents to work at the school and many parents volunteer. Some read to children, some listen to children read, some grade papers for the teacher, some copy handouts, some tutor kids having difficulty in a subject, some tutor kids who are advanced in a subject, some gather library books for a particular unit of study, some discuss trips they have taken to different countries, and on and on. Parents do many, many different things to help students and teachers! While no money changes hands, the contribution has a high dollar value. Most volunteers do not even think about a way to get paid or some tax relief for this sort of contribution. Their reward is in having helped, in the learning done by some child or group of children, in the appreciation of the teacher and the principal for the assistance.

These examples and the ones in the previous paragraphs illustrate some of the ways citizens contribute valuable resources to schools. But, no taxes and no fees are included in these examples. These are gifts of the heart. We can tell you that these gifts are appreciated deeply. We also know that sometimes school personnel fail to make the contributor understand the depth of appreciation that is felt. If a school has failed to make you feel their appreciation, we're sorry, and at the same time we are very confident that they truly did appreciate your contribution and will appreciate anything further you do to assist children by freeing teachers, by giving direct assistance to kids, or by otherwise contributing your dollars to help the school create a stimulating climate that is conducive to learning.

## ABOUT FEES

When tax dollars run short, schools often feel they must resort to charging fees. Recently in Minnesota when there was a major budget shortfall at the state level much of it was passed on to school districts. Many schools had to cut teachers and programs. Often this was not enough to cover the shortfall so they began to charge fees for a whole variety of things—laboratory fees for science classes, fees to participate in various sports, locker fees, and the like. The dollars from those fees were, we think, mingled with the other resources of the school (in the general fund) to pay the ongoing costs for educating children.

The school administrators and school board members we know almost uniformly dislike using fees to secure funds and only do this in emergency circumstances. One of the reasons is that many families cannot afford the fees. Some large families have five or six children in school who are involved in multiple activities. Fees may hit them very hard. To assist hard hit families and to relieve families who cannot afford these fees, boards and administrators feel they must give some sort of waiver. At the same time, they really need the funds. This then means that either the fee will have to be increased for those who can pay or a board member or an administrator has to go into the community and find businesses and/or individuals who are willing to be benefactors. Further, the waiver can be embarrassing to an individual student or to a family. Fees generally are not seen as a good way of doing the business of financing schools.

## ABOUT TAXES

Information about taxes in North Dakota can be found in the Century Code on the worldwide web at http://www.legis.nd.gov/information/statutes/cent-code.html,[7] then paging down to the table and clicking on 57 Taxation.

**Property Taxes:** The major ways we pay to support schools are through property taxes, income taxes, sales taxes, corporate taxes, and energy taxes. These are the major sources of tax revenue at the state level in North Dakota. Income taxes and sales taxes go into the state's general fund and the state Legislature allocates money from that general fund to finance the services the state provides its citizens, including the service of educating the children and youth. Property taxes are paid at the county level and distributed by the county to the various political subdivisions within the county. Energy taxes are collected at the state and county level and are used to reduce the impact of the energy business on political subdivisions and to help fund state general fund expenditures.

Let's talk about property taxes first. Experts sometimes call them *ad valorem taxes*. These are taxes on real estate and sometimes on other property. Personal property was taxed in North Dakota at one time, but is not taxed now. Before property can be taxed it must be appraised to determine its full and true or market value. The market value of residential and commercial property is determined by an assessor who reviews the property, compares it to other property in the area, considers what other property in the area sells for, and then sets the market value of that piece of property. Agricultural property is similarly assessed, but an additional factor is applied and that is the productivity of the land as determined by records kept at North Dakota State University in Fargo. Once the market value is determined, the property is given an assessed value and a taxable value. State law sets the assessed value of property at 50% of the market value. The taxable value of property is a percentage of the assessed value. In North Dakota, the taxable value of residential property is 9% of assessed value and 10% of commercial and agricultural assessed value. Here is an example of how this system works.

(1) A house and lot is given a Market Value of $100,000.00.
(2) The Assessed Value, then, is 50% of Market Value or $50,000.00.
(3) The Taxable Value, then, is 9% of Assessed or $4,500.00.
(4) If the property in this example was commercial or agricultural, then the taxable value would be $5,000.00 or 10% of Assessed Value.

People in North Dakota are used to thinking about property taxes in terms of mills levied (1 mill = .1 of 1¢ **or** 1 mill = .001 of $1 **or** a 1 mill levy would produce $1 in taxes for every $1,000 of taxable value), but in reality, taxes are levied in terms of dollars and then a calculation is made to determine the mill rate of a political subdivision such as a school district. The tax is computed by multiplying the number of mills times the taxable value of the property. So, if in the example above a school district has a mill rate of 180 mills, the taxes due for the school on this property would be $810.00 ($4,500.00 x .180 mills). The concept of taxable value is very important in understanding the school finance system in North Dakota because this is the only resource that is considered in determining the wealth of a school district.

Property tax is called a "regressive" tax. This is because of the way the tax is distributed. The distribution falls in greater proportions on poorer citizens than on wealthier citizens. It falls more heavily on older, retired people living on social security and on farmers during seasons when they have had bad weather, crop disease, or insect infestation. Said another way, the property tax falls more heavily on those who are less able to pay than on those who are more able to pay. For instance, consider the retired family living mostly on social security who owns a home that they paid for over a long period of time. They now have a valuable asset but very limited income to live on, making it difficult to pay taxes. We believe that nearly every North Dakotan knows a senior citizen who has had to choose between food and medications or home repair and automobile insurance because they have so little income. One doesn't have a choice about whether to pay taxes. If the taxes are not paid, the sheriff can come to your home, move your belongings onto the street, sell your property at auction, deduct the taxes, and give you what remains, that is, if anything remains. In North Dakota, we get about 43.15% of the cost of educating the children going to K-12 schools from property taxes. The state provides about 40.48%, the federal government about 14.04% and the counties about 1.43% (Finance Facts, NDDPI, 2006). These percentages are averages for the state. Individual school district percentages will vary greatly from these numbers.

There are other problems with property taxes. Fairness in the assessments within a given political subdivision and the fairness of the assessments across these subdivisions can be a problem. The assessment is supposed to be based on the true market value of the property. This value is the actual amount for which the property could be sold. Property owners often think their property is overvalued when compared with that of their neighbors. Property owners in one part of a community often think their property is overvalued when compared with property in a different part of the community. This also is the case when comparing property values from one county to another. Realistically we know there are ample opportunities for assessors to make mistakes, but property owners also have the right to appeal what they perceive to be an unfair assessment. There also is the opportunity for assessors to illegally give special favors though we think that seldom happens. We also know assessors are subject to a variety of political influences and pressures at the local level. Beyond these problems, all assessors charged with the responsibility of making assessments do so with different understandings of what is fair as well as about the way to assess different properties fairly. So, we are suggesting there is a good deal of opportunity for legitimate concern on the part of citizens. And, we suspect there is a minimal amount of mischief as well.

A subject that frequently comes up during any discussion of assessment is that farmers are not assessed on their farm buildings. This includes the family dwelling. Some farmers live in homes that would result in a stiff assessment and tax bill if their houses were in town. On farms, only the agricultural land is assessed as the buildings are considered part of the land and needed to conduct their business. Many people who own a house in town see this as a tax break for farmers. The farmer sees this as an adjustment for those years when he is defeated by the weather in making a crop and has little income but has to pay taxes anyway.

An additional problem with property taxes is that subdivisions other than school districts must get all or most of their resources from them. Among these subdivisions are counties, cities,

and park districts. When all these taxing political subdivisions are added to the mix, the cost of property taxes can become quite high. We think that is now the case in North Dakota.

We know too that the same property in a different location would be worth more or less. We all consider how financially advantageous it would be if the home we now partially or wholly own was located in Silicone Valley of suburban San Francisco or on Manhattan Island in New York City. We could sell that home, move to North Dakota (or nearly anywhere in mid America), buy a very comfortable home, and have a huge nest egg left over to assist us with retirement expenses, college tuition, or the care of our aging parents. The truth is that we know a three bedroom, three bathroom home with 2,600 square feet of living space has a very different market value if it is located in Fargo than it would in Solen or Killdeer or Alexander or St. Thomas. We know too that the number of students currently enrolled in a school can have a dramatic impact on how many dollars and therefore mills are needed to support the schools. For example, Billings County District #1 has only $4,988,496 in assessed valuation but that provides $42,275 in support of each student in the school district. To provide education to their children, the district only needs to levy 40.09 mills and the district has no debt. By comparison, Fargo District #1 has $204,886,521 in assessed valuation that backs each child with only $18,060. Fargo also has a special assessment of 4.03 mills and a capital building retirement fund that costs an additional 26.40 mills. Including these special funds the district must levy 318.62 mills to provide education to their children. However, these data do not show the impact of the widely disparate levies on individual taxpayers. The rancher in Billings County may require and therefore own many acres of land to feed a moderate size cattle herd and be paying as much tax as a middle class family in Fargo living in the 2,600 square feet house described earlier.

Even when all parties have good intentions, the complexity of dealing fairly with property taxes that provide such a large percentage of the resources to support public education makes it desirable to more fairly balance this system of taxing as a means for getting financial support for schools.

## A WORKSHEET FOR CALCULATING YOUR SCHOOL PROPERTY TAX

Step One

e Enter your property's **MARKET VALUE** which you can find on your current County Tax Statement or by calling your County Auditor.

r Enter your Market Value: $_____

Market value is the amount a person could potentially sell their property for and is based on appraisals and other factors described in this chapter.

Step Two

Determine your property's **ASSESSED VALUE** by dividing the Market Value identified in Step One by 2.

Enter your Assessed Value: $_____

**Example:** If the Market Value is $100,000, then the Assessed Value would be $50,000 or half the Market Value.

Step Three

Determine your property's **TAXABLE VALUE** by multiplying the Assessed Value by .09 (% set by law) if the property is residential or by .10 if it is either commercial or agricultural.

Enter your Taxable Value: $_____

**Example:** Using the Assessed Value from Step Two, the residential taxable value would be $4,500 (.09 X $50,000) or the commercial would be $5,000.

Step Four

Determine the **MILL RATE** for the General Operating Fund in your school district. You can get this information from the School District Business Officer or the County Auditor.

Enter your Mill Rate: $_____

The mill rate (number of mills) for school taxes is determined by the County Auditor by dividing your entire school district's taxable value into the dollars levied by the school board.

Step Five

Determine the **TAXES OWED** on your property for the school district's General Operating Fund by multiplying the Mill Rate (number of mills) times your property's Taxable Value.

Enter your Taxes Owed: $_____

**Example**: If the Taxable Value is $4,500, and the general fund Mill Rate is 185 mills, your Taxes Owed would be $832.50 ($4,500 X .185). For commercial property it would be $925.

**Income Taxes:** These taxes are collected at the state level. The federal income tax was first used in the United States in Abraham Lincoln's administration to help pay for the costs of the Civil War. All income taxes are on earnings. Some states have no income taxes. North Dakota does. The state income tax in North Dakota like the federal income tax is a graduated tax. Those who make more pay more. The payroll tax rates for North Dakota are shown in Table 7 below. At an earlier time in ND history, state taxes were just a percentage of the federal rate.

***Table 7—Annual Payroll Period***

| *(a) Single Person (including head of household)* | | | | | *(b) Married person* | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *If the amount of wages (after subtracting withholding allowances) is:* | | *The amount of income tax to withhold is:* | | | *If the amount of wages (after subtracting withholding allowances) is:* | | *The amount of income tax to withhold is:* | | |
| *Not over* | *$3,500* | | | *$0* | *Not over* | *$8,500* | | | *$0* |
| *Over* | *But not over-* | | *of excess over* | | *Over* | *But not over-* | | *of excess over* | |
| *$3,500* | *$32,000* | | *2.10%* | *$3,500* | *$8,500* | *$57,900* | | *2.10%* | *$8,500* |
| *32,500* | *$68,500* | *$609.00 plus* | *3.92%* | *$32,500* | *$57,900* | *$110,000* | *$1,037.40 plus* | *3.92%* | *$57,900* |
| *$68,500* | *$156,500* | *$2,020.20 plus* | *4,34%* | *$68,500* | *$110,000* | *$196,000* | *$3,079.72 plus* | *4.34%* | *$110,000* |
| *$156,500* | *$338,000* | *$5,839.40 plus* | *5.04%* | *$156,500* | *$196,000* | *$343,200* | *$6,812.12 plus* | *5.04%* | *$196,000* |
| *$338,000* | | *$14,987.00 plus* | *5.54%* | *$338,000* | *$343,200* | | *$14,231.00 plus* | *5.54%* | *$343≤200* |

*Selected from http://www.nd.gov/tax/indwithhold/pubs/guide/index.html* [8]

So, the rules for the federal government are essentially the same as for the state. Thus, both federal and state income taxes are graduated. The meaning of "graduated" in this case is that the more you make the higher the amount of taxes you pay. The theory is that those who make more money can afford to pay a greater share of the cost of operating the government. North Dakota lawmakers apparently agree with that approach. A simple illustration will help to illustrate the rationale for the graduated income tax. Payroll deductions are the way most people pay for taxes, health insurance, and retirement contributions. Experience tells us that the lower income person has the smallest deduction, in part, because they make the lowest income and also if health insurance is included it usually covers just the employee and not the employee's family. Employees' payroll deductions include social security, Medicare, federal taxes, state taxes, and, let's assume, a single, low-end health coverage plan. Let's estimate that an employee's deductions are at 25% of the person's earned income. One person, working a full-time (40 hours) job, making minimum wages (in North Dakota, $5.15 per hour) would earn $206 per week before deductions. After deductions, this person has $154.50 left each week to buy groceries, pay the rent, pay doctor and pharmacy bills, pay for transportation to and from work, buy clothing, and all the other things for which ordinary people need money. Increasing the payroll deductions even 5% for another benefit would reduce that person's "lifestyle" if one could call living on $154.50 per week or $8,034 a year a lifestyle. Let's compare that to a mid-level income earner. The mid-level earner is under contract for $65,000 per year and also has a 25% payroll deduction for the same set of benefits except that the health insurance is for a family plan. This income would then result in a gross earning of $1,250 per week. With a 25% deduction for benefits, this person would still have $937.50 per week to pay the costs of living. A 5% deduction for an additional benefit wouldn't likely make much difference to that individual. In fact, a 10% deduction for an additional benefit would only reduce the weekly salary to $843.75 resulting in an after deductions income of $43,875 a year, nearly 5 times the minimum wage worker's weekly income. The lifestyle that person could maintain on that salary would be substantially better than that of the person with a $154.50 weekly income. For further comparison let's examine what would happen to a person earning a high income. S/he sells Porsche automobiles and earns commissions that result in a $200,000 yearly income. This annual income less the 25% payroll deduction that also includes a full family health policy and contributions to a 401k account would be substantial. S/he would earn $2,884.62 per week. After an additional deduction of 10% for another benefit, this person would still have $2,596.16 weekly or $134,999.80 yearly to spend on his/her needs and wants. That's nearly 17 times the minimum wage worker's income. Clearly, this person could afford to pay more taxes based on most people's values.

Income taxes, when distributed appropriately, are considered fair. In this system, the person pays at a rate that s/he apparently can afford. Those people who make less pay less, those who make more pay more, those who make a great deal pay substantially more. Below are data from the Minnesota Budget Project that show how that state determines such a distribution.

> *One goal of any tax system is fairness. Fairness can be defined in many different ways, but one common way is by looking at what portion of income taxpayers are contributing in taxes. Fortunately, Minnesotans have a tool for looking at this issue —the* ***Tax Incidence Study****. The Tax Incidence Study shows that Minnesota's state and local tax system has the following characteristics:*

- *Minnesota's tax system is slightly regressive, with high-income Minnesotans paying a smaller percentage of their incomes in state and local taxes than Minnesotans with less income.*

- *Each tax varies in its impact. Lower-income Minnesotans pay more of their total taxes as sales and excise taxes; upper-income people pay more of their total taxes as income taxes.*

- *Tax changes made in the surplus years have reduced taxes for all income levels.*

**Table 2: Share of Income and of Taxes Paid (2000)**

| Decile | Income | Share of All Income | Share of All Taxes |
|---|---|---|---|
| 1 | $8,945 and under | 1.0% | 1.6% |
| 2 | $8,946 - $14,734 | 2.1% | 1.8% |
| 3 | $14,735 - $20,731 | 3.1% | 2.9% |
| 4 | $20,732 - $27,424 | 4.2% | 4.2% |
| 5 | $27,425 - $35,029 | 5.5% | 5.6% |
| 6 | $35,030 - $44,822 | 7.0% | 7.7% |
| 7 | $44,823 - $56,869 | 8.9% | 9.6% |
| 8 | $56,870 - $72,622 | 11.3% | 12.1% |
| 9 | $72,623 - $102,411 | 14.9% | 15.8% |
| 10 | $102,412 and over | 41.9% | 38.7% |

*Taken from http://www.mncn.org/bp/incid03.htm* [9]

**Sales Taxes:** Like income taxes, some states have sales taxes and others don't. The tax paid on purchases is a tax on the utilization or consumption of consumer products. In North Dakota, citizens pay 5% sales taxes on most of their ordinary purchases. The sales tax is reduced to 3% for some major purchases such as qualifying pieces of farm equipment and mobile homes. There is a 5% excise tax on the purchase of automobiles. The highest sales tax is on alcohol at 7%, and the lowest sales tax is on natural gas and is only 2%. No sales tax is charged when the citizen buys a house in town or a farm. In addition, some cities have added a "small" sales tax to help finance various projects. When this is done, the citizens vote to approve the tax before it is charged to the purchaser. The merchant collects the tax owed when the purchase is made and the merchant then deducts his/her fee for collecting the sales tax and sends the rest to the state treasurer. When a portion of the sales taxes is collected, the state returns the money to the appropriate political subdivision.

Like property taxes, sales taxes are considered regressive because the poor tend to pay a greater percentage of their resources in sales taxes than do the wealthy. This is because poor people must spend nearly everything they earn to survive while those with much larger incomes use their excess income to save and invest with the intent of making still more money to add to their income.

Some states exempt food, clothing, services, and medicine from the sales tax in order to soften the tax burden on the poor. This may not work effectively. The poor often spend much less on these items than the wealthy. In that event, a sales tax would be even more regressive.

**Capital Expenditure Taxes:** School buildings wear out. School populations change. New family housing may change where school children are concentrated. School functions and requirements change. Old school buildings may be judged to be unsafe. There are many reasons that school districts may need either to build new buildings or remodel older ones. Doing either of these things requires a major expenditure of funds. To get an infusion of dollars, the school district usually sells bonds to raise the money to finance major expenditures for property. The bonds are then paid off in payments. However, before the bonds can be sold, the citizens of the school district get to vote on whether they are willing to be taxed over a specified period of time at a particular mill rate to raise the money to pay off the bonds. To demonstrate citizen agreement, a supermajority of the voters, 60%, must vote in favor of financing the investment. This, nevertheless, results in additional property tax. Buying new classrooms or a new gym with bonds is not so different from the family buying a new car on payments. The major difference is that citizens have to approve buying the cost of a school building project before the school board can sell the bonds. (At our homes, this is somewhat like securing the permission of a spouse to buy a car before you can sign the agreement with the auto dealer and bring the car home.) (intended to be humorous).

In addition, school districts also may establish a Building Fund by a vote of the people. If the people approve, the school board can levy up to 20 mills for the purpose of building a new building or doing remodeling of existing buildings.

**Severance, Conversion, and Extraction Taxes:** Severance taxes are typically applied to coal, natural gas, and oil. These are not renewable resources. These natural resources can only be taken from the ground one time. Thus, when taken, these resources have been severed. Taxes are levied on these resources in North Dakota. Where these resources are present in profusion, they represent considerable wealth, but are not considered in the definition of wealth of a school district. Some people believe these resources do not belong to individuals, because of the accident of where they own land, but belong to the entire state. The coal, oil, and gas severance tax laws are complex. A portion of the tax dollars they generate goes to the state for general fund expenditures, a portion to the county in which the coal is mined, the oil is pumped, or the gas is extracted. Still, another portion goes to the schools. The rationale for some of the tax going to counties is that the trucks hauling coal and oil damage local roads that need repairs and there are other county expenses incurred by these industries. Local schools get some of the dollars because of the impacts on school buses, potential increases in enrollments, and increased salary costs. The rest of the tax on these resources goes into the state's general fund and is used to help pay all the state's expenses. The reason for this rationale is that political subdivisions cannot tax the property such as oil rigs and buildings at well sites, gasification plants, power plants, or the minerals under the land surface. Therefore, these taxes ***are inlieu of property, use, and sales taxes*** and are collected to replace the property, use, and sales taxes normally collected by the political subdivisions and the state. These ideas help to explain the reasons behind some

of the laws influencing the North Dakota taxation of oil, gas, and coal. The way in which these taxes are levied is explained at the North Dakota Tax Web site.

Taken from http://www.nd.gov/tax/ [10]

**Coal Severance Tax**

*The coal severance tax is imposed on all coal severed for sale or industrial purposes, except coal used for heating buildings in the state, coal used by the state or any political subdivision of the state, and coal used in agricultural processing and sugar beet refining plants in the state or adjacent states.* ***The tax is in lieu of sales and use taxes on the coal and property tax on minerals in the earth.*** *Coal is taxed at a flat rate of 37.5 cents per ton. An additional 2-cent per ton tax is levied for the Lignite Research Fund. A 50% reduction in the 37.5-cent tax is allowed for coal burned in a cogeneration facility designed to use renewable resources to generate 10% or more of its energy output. Counties may grant a partial or complete exemption from the counties' 70% portion of the 37.5-cent tax for coal that is shipped out of state.*

Taken from http://www.nd.gov/tax/coal/ [11]

**Oil Severance Tax**

*A 5% rate is applied to the gross value at the well of all oil produced, except royalty interest in oil produced from a state, federal or municipal holding and from a Native American holding within the boundary of a reservation. Both the producer and purchaser of the oil are required to submit reports to the Tax Commissioner on a monthly basis. The reports show the volume and taxable value of sales of the production from each well. The producer remits the tax on oil not sold at the well. The purchaser is primarily responsible for remitting the tax on oil bought during a production month. The Tax Commissioner has the authority to waive a producer's filing requirement if certain conditions are met. Purchasers are required to file monthly reports electronically.*

Taken from http://www.nd.gov/tax/oilgas/pubs/history.pdf [12]

**Gas Severance Tax**

*The gross production tax on gas is an annually adjusted flat rate per thousand cubic feet (mcf) of all nonexempt gas produced in the state. The annual adjustments are made according to the average producer price index for gas fuels. Rates through June 30, 2005 are as follows:*

| *Time Period* | *TaxRate* |
|---|---|
| *July 1, 2002 - June 30, 2003* | *$.0824* |
| *July 1, 2003 - June 30, 2004* | *$.0615* |
| *July 1, 2004 - June 30, 2005* | *$.1037* |

*Exempt from the tax is gas used on the lease for production purposes and the royalty interest in gas produced from a state, federal or municipal holding and from a Native American holding within the boundary of a reservation.*

*Shallow gas produced during the first 24 months of production from and after the first date of sales from a shallow gas zone after June 30, 2003, is exempt from gross production tax. This exemption is ineffective for gas wells completed or recompleted after June 30, 2007.*

*Monthly reports to the Tax Commissioner are required from both the producer and the purchaser/processor of the gas. The producer remits the tax on unprocessed gas and the purchaser/processor remits the tax on processed gas. The Tax Commissioner has the authority to waive a producer's filing requirement if certain conditions are met. Purchasers/processors are required to file monthly reports electronically.*

*Taken from http://www.nd.gov/tax/oilgas/pubs/history.pdf*[13]

**Oil Extraction Tax**
***Imposition and Rates***

*The oil extraction tax is levied on the extraction of oil from the earth. The tax rate is 6 1/2% of the gross value at the well of crude oil. However, the rate is reduced to 4% for oil produced from the following:*

- *A vertical or horizontal new well, after the appropriate exemption expires.*
- *A work-over well after the exemption expires.*
- *Incremental oil from a qualifying secondary or tertiary recovery project, after the 5-year or 10-year exemption expires.*
- *Non-incremental oil from a qualifying secondary recovery project that has reached an aver age production level of at least 25% over normal operations for six consecutive months.*
- *Non-incremental oil from a qualifying tertiary recovery project that has reached a production level of at least 15% over normal operations for one month and continues to be operated as a qualifying project.*

*A qualifying secondary recovery project is a unit that uses water flooding and is certified by the North Dakota Industrial Commission. A qualifying tertiary recovery project is a unit that uses an enhanced recovery method which conforms with federal tax code provisions and is certified by the North Dakota Industrial Commission.*

*The oil extraction tax is paid monthly with the gross production tax on a combined reporting form.*

Taken from *http://www.nd.gov/tax/oilgas/pubs/history* [14]

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End Notes

[7] http://www.legis.nd.gov/information/statutes/cent-code.html
[8] http://www.nd.gov/tax/indwithhold/pubs/guide/index.html
[9] http://www.mncn.org/bp/incid03.htm
[10] http://www.nd.gov/tax/
[11] http://www.nd.gov/tax/coal/
[12] http://www.nd.gov/tax/oilgas/pubs/history.pdf
[13] http://www.nd.gov/tax/oilgas/pubs/history.pdf
[14] http://www.nd.gov/tax/oilgas/pubs/history.pdf

Chapter 3

# Understanding School Finance: The School Funding System In North Dakota

By

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In order to understand the arguments and issues surrounding the educational finance adequacy and equity issues, one must first have a working knowledge of the state's foundation system for funding its K-12 schools as well as the funding system for special education, career and technical education, English language learners, etc., and can be found beginning on page 6 of this monograph. Historically, the state has always funded schools through state funds and through the delegation of taxing authority to local school districts. This chapter will address the state's foundation aid program. Even though there has been a foundation aid program since the 1950s, the current program was adopted by the state Legislature in 1973, with the passage of Senate Bill 2026. This bill was a result of compromises among legislators from rural, city, large, and small school districts. It was intended to provide more state funds to schools and create equity to satisfy the court mandates of the time. The court mandates arose from a famous case identified as *Serrano v. Priest*. To learn more about this case, you can access it at http://library.findlaw.com/1999/Dec/1/129939.htm [15] on the Find Law Web site.

## STATE FOUNDATION AID PROGRAM

There is a good deal of language (jargon) associated with school finance. The North Dakota Foundation Aid Program is filled with this jargon and it is imperative that we define these terms at the outset. But first, we will present the formula for calculating-school foundation aid which includes some of the school finance language and then we will provide explanations of the language (jargon) that will help you make sense of the formula.

The state foundation aid program can be expressed as a formula that takes into account a school district's average daily membership (ADM) and a weighted factor for economy of scale that results in weighted pupil units, the state's appropriation for K-12 education or per pupil payments, and a school district's wealth or equalization factor commonly called "the deduct." The formula can generally be written in two parts as follows:

**Average Daily Membership *times* the Weighted Factor *equals* the Weighted Pupil Units**

**Total Weighted Pupil Units *times* the State Base Per Pupil Payment *equals* the State Entitlement *minus* the Equalization Factor *equals* the State Payment to School Districts**

It is important for you to know what each of the formula elements are and how they are determined to appropriately understand the formula and the problems (equity and adequacy) that are perceived about the formula. So, let's begin with Average Daily Membership (ADM).

**Average Daily Membership (ADM):** The ADM of a school district is determined for each school district by totaling the number of days all students were enrolled during the year and dividing that sum by the number of students enrolled during the year. This information can be obtained from your local school district business manager, superintendent, or the North Dakota Department of Public Instruction's (NDDPI) Web site (www.dpi.state.nd.us).[16]

**Weighted Factor:** This is a ratio that is determined by the state Legislature in consultation with the North Dakota Department of Public Instruction. The *weighted factors (ratios) are based on costs per pupil in each of the grade and size categories over time and are illustrated in Table 1 below.* The current weighted factors can be found in the North Dakota Century Code (NDCC), Section 15.1-27. [17] You will notice that the "grades 9-12 with 300 + students" category has a weighted factor of 1.0. This means that this size school will get 1 full base per pupil payment for each student enrolled. The rest of the weighed factors in Table 1 are a ratio based on cost per pupil compared to the "grades 9-12 with 300 students" cost per pupil. As a result, the weighted factor increases as the enrollments get smaller. The concept is that there are efficiencies in schools based on size (i.e., the smaller the school, the less efficient to operate). For example, if you have a school with 100 students per grade, it is easy to have 4 classes of 25, each with 1 teacher. If you have a school with 34 students per grade, you would probably have 2 classes and 2 teachers, each with 17 students. The school with 100 students per grade is more efficient to operate as schools get money based on the number of students they have enrolled each year. Of course, this can cause debate regarding efficiency v. quality.

**Weighted Pupil Units (WPUs):** Weighted Pupil Units are determined by multiplying the schools average daily membership (ADM) times the state determined weighted factor (Table 1). The sum of the WPUs in each category results in the school district's total weighted units and is multiplied times the base per pupil payment in the foundation aid formula. This information can be obtained from your local school district business manager, superintendent, or the North Dakota Department of Public Instruction's (NDDPI) Web site (www.dpi.state.nd.us).[18]

**Per Pupil Payments:** This is a dollar amount set by the Legislature as a per pupil payment. The Legislature takes into account the amount of money they believe they have available for K-12 education, plus an amount that could be raised if the state levied 38 mills against the state's taxable value (obtained by summing the total to each school district's taxable value—see Chapter 1) for 2005-06 and 41 mills for 2006-07. The amount available for appropriation is then divided by the estimated ADM for the state to determine the per pupil

payment. The base per pupil payment for 2005-06 is $2,765, and for 2006-07 it is $2,879. In case you are interested, the total appropriation passed by the Legislature for per pupil payments for the 05-07 biennium is $483,403,759. This information can be found in NDCC 15.1-27,[19] the State Budget,[20] the NDDPI,[21] or at the Legislative Council.[22]

Table 1

| Category | Weighted Factor |
|---|---|
| Preschool | 1.1871 |
| Kindergarten | 0.6562 |
| Grades 1-6 <100 students | 1.3619 |
| Grades 1-6 >100 students | 1.0067 |
| Grades 7-8 | 1.0080 |
| Grades 9-12 <120 students | 1.2836 |
| Gr. 9-12: 120-299 students | 1.0254 |
| Gr. 9-12: 300 + students | 1.0000 |

The effect of the weighted factor on school size is displayed in Table 2 below. It has been stated that the base per pupil payment for 05-06 is $2,765 and that for 06-07 it is $2,879. (Note: This is the number in Table 1 in the bottom row that has a weighting (or ratio) of 1.0000. It is the ratio at which the per pupil payment of $2,765 generates the one-to-one correspondence of exactly $2,765 in the 2005-06 school year as shown in the bottom row of Table 2 below.) As one can see in Table 2, the smaller the school, the larger the weighted factor, and the larger the payment. The effect is illustrated when the base per pupil payment for each year of the biennium is multiplied times the weighted factor for each grade category. For example, when one multiplies the weighted factor for grades 9-12 <120 students category times the base per pupil payment for 05-06, the per pupil payment becomes $3,549.15 compared to $2,765 for the largest high schools. The rest of the table (see page 23 for Table 2) shows this calculation for each category.

**State Entitlement:** This is the amount of money due the school district prior to the equalization factor being applied (subtracted), and is determined by multiplying the total WPUs times the base per pupil payment.

**Equalization Factor:** The equalization factor is the most controversial portion of the North Dakota foundation aid formula as it is the portion of the formula used to provide equity in school funding. The equalization factor is expressed in mills and currently is set at 38 mills for 2005-06 and is 41 mills for 2006-07. The equalization factor expressed in mills is multiplied times the school district's taxable value. The result of this calculation is subtracted from the district's state entitlement and results in the district's state payment. The **State Payment** is the amount sent to

Table 2

| Category | Weighted Factor | 05-06 Payment | 06-07 Payment |
|---|---|---|---|
| Preschool | 1.1871 x base PPP = | $3,282.33 | $3,417.66 |
| Kindergarten | 0.6562 x base PPP = | $1,814.39 | $1,889,20 |
| Grades 1-6 <100 | 1.3619 x base PPP = | $3,765.65 | $3,920.91 |
| Grades 1-6 >100 | 1.0067 x base PPP = | $2,783.53 | $2,898.29 |
| Grades 7-8 | 1.0080 x base PPP = | $2,787.12 | $2,902.03 |
| Grades 9-12 <120 | 1.2836 x base PPP = | $3,549.15 | $3,695.48 |
| Gr. 9-12: 120-299 | 1.0254 x base PPP = | $2,835.23 | $2,952.13 |
| Gr. 9-12: 300 + | 1.0000 x base PPP = | $2,765.00 (base PPP) | $2,879.00 (base PPP) |

the district after all of the elements of the formula have been applied. (Note: See Chapter 2 for explanations of mills and taxable values. )

In 1973, the Legislature said that the equalization factor for each district would be 20 mills times the district's taxable value. This amount would be subtracted from the district's entitlement in order to "equalize" based on the district's wealth since only property taxable value is used to determine a school district's wealth (see page 23 for Table 3). The Legislature has been "tinkering with or increasing" this factor over the years, and the 2005 Legislature set the equalization factor at 38 mills for 2005-06 and at 41 mill's for 2006-07.

The effect of this part of the formula is that it results in districts with high taxable value getting less state aid than those with low taxable value. Table 3 attempts to illustrate this concept by using three fictional districts with exactly the same number of WPUs and base Per Pupil Payments, but with different taxable values. As one can see in Table 3, District A is the wealthiest, followed by District B and then C. When the equalization factor is applied (i.e., 41 mills times the taxable value of each district) and then subtracted from the state entitlement, it results in each district getting a different amount from the state with the richest getting the least and the poorest getting the most.

There are school districts in North Dakota that do not qualify for state foundation aid because their taxable value is very high and they have few students (and sometimes with other factors like a high cash balance), causing the deduct to be larger than their state entitlement.

Table 3

| | District A | District B | District C |
|---|---|---|---|
| WPUs | 250 | 250 | 250 |
| Per Pupil Payment | $2,879 | $2,879 | $2,879 |
| State Entitlement (WPU x PPP) | $719,750 | $719,750 | $719,750 |
| Taxable Value of the School District | $14,450,000 | $10,250,000 | $6,440,000 |
| Equalization Factor .041 x Taxable Value | -$592,450 | -$420,250 | -$264,040 |
| State Payment | $127,300 | $299,500 | $599,660 |

Now that you have a much keener understanding of the state foundation aid formula, let's apply another formula using a different imaginary example and fill in fictitious amounts regarding the formula. Here we selected some elements that are typical of a North Dakota with average wealth. For simplicities sake, we did not include preschool or kindergarten:

District Taxable Value: $ 3,548,926
Equalization Factor: $ 3,548,926 x .041= $145,506

| | ADM | | WF | | WPU |
|---|---|---|---|---|---|
| Grades 1-6 | 95 | x | 1.3619 | = | 129.38 |
| Grades 7-8 | 32 | x | 1.0080 | = | 32.25 |
| Grades 9-12 | 68 | x | 1.2836 | = | 87.28 |
| | | | Total WPU: | | 248.91 |

Average Daily Membership *times* the Weighted Factors *equals* the Weighted Pupil Units (248.91)

Total Weighted Pupil Units (248.91) *times* the State Base Payment ($2,879) *equals* the State Entitlement ($716,612) *minus* the Equalization Factor ($145,506) *equals* the State Payment to School District ($571,106)

A rural district in North Dakota with a taxable value of just over $3.5 M and average daily attendance of 195 would be a district of average wealth. The foundation aid formula in North Dakota is designed to give school districts that are perceived to have less wealth more state money and those school districts that are perceived to have more wealth less state money. From this example, one could generalize that the foundation aid formula that is in place does equalize as it is intended to do, but the writers would point out that many other elements of school funding are not equalized and that is part of the adequacy and equity problem. The aspects of school funding in North Dakota that are not addressed by the formula, both in terms of equity and adequacy, are special education, career and technical education, English Language Learner programs, summer school, teacher compensation, tuition apportionment, and revenue supplemental payments. These programs will be discussed in the remainder of this chapter.

## SPECIAL EDUCATION FUNDING

North Dakota special education funding is done in a different way. It is not equalized on the basis of wealth through the foundation aid formula. In North Dakota, the funding of special education is basically provided as a dollar amount per pupil and paid out by the state on the basis of each school district's average daily membership. This concept is based on the idea that each district has about 10% of their ADM identified as special needs children. The ADM payment for special education for the 2005-06 year is $188 and for 2006-07 it will be $190 per student in ADM. As an example, if a school district has 400 students in ADM, they would receive $76,000 (400 x $190) in state funds to help educate their district's special needs students. In addition, school districts and special education units may write contracts for multiple-handicapped, low-incidence, high-cost students. These contracts are intended to cover the cost of providing education for these high-cost students such as a student who is blind, deaf, and has cerebral palsy. Basically, with high- cost students, the school district pays 2.5 times the average cost per pupil in regular education, which would be approximately $18,000. The rest of the cost presumably is covered by a contract, paid by state funds, but still is limited to 80% of the total cost of educating the high-cost student. Often, the state underestimates the number of dollars needed for high-cost students and districts and units get stuck for the excess expenses. The state appropriation was $52.5 million dollars for the 05-07 biennium of which $36.6 million was for ADM payments, $15.5 million for contracts, and $400,000 for gifted and talented programs. In addition to the state appropriations, school districts receive funding from the federal government for special education. Overall, the state and federal governments together are providing only about 26% of the costs of special education in North Dakota even though the federal government promised to provide 40% of the funding when they enacted the law.

## CAREER AND TECHNICAL EDUCATION

The State Board for Career and Technical Education (SBCTE) has governing authority for all programs that are essentially vocationally and technically oriented. These programs include, but are not limited to, vocational agriculture, industrial technology (carpentry, auto tech, etc.), family and consumer science (formerly called home economics), and distributive education (business). Basically, these courses are funded by grants from the state and federal government that cover a portion of the teacher salaries and other program costs. School districts write for grants from the SBCTE to obtain these funds annually. In addition, school district general fund dollars are used to support these programs. There is a different reimbursement schedule for Career and Technical Education Centers than for individual school districts. Generally, these programs have been hurt by the passage of the No Child Left Behind (NCLB) federal legislation as more funds are now funneled to reading, math, science, and social studies instead of to vocational classes. The 2005 Legislature appropriated $21,500,116 in state funds administered by the SBCTE for career and technical program reimbursements to schools and vocational centers.

## TEACHER COMPENSATION PROGRAM

When Governor John Hoeven was campaigning in 2000, he promised that he would provide for a more adequate teacher compensation package than currently was being offered by school boards across the state. This resulted in legislation that created teacher compensation payments to school districts. There was a great deal of effort put forth to define the terms "compensation" and "teacher." These definitions can be found in the North Dakota Century Code (NDCC), section 15.1-27-36. This program provided funds to school districts based on the number of full-time equivalent (FTE) teachers who were employed in their district. The amount was set at $3,000 for experienced teachers and $1,000 for teachers who were employed for the first time since becoming licensed to teach. Currently, $50,912,120 is appropriated by the Legislature for this purpose. School districts are required to spend 70% of all new money (meaning state funding that had not been previously approved by legislation and appropriated) in per student payments and tuition apportionment for increasing teacher compensation, unless two thirds of the members of a school board votes for an affirmation that implementing this law would put the district in jeopardy of not being able to meet its other obligations for financing the district. If the school board votes for such an affirmation, they are free to use the new income for any other legal school district expenditure.

## TUITION APPORTIONMENT

Tuition apportionment is the term given to money that is sent to school districts from the profits of the School Permanent Trust Fund. This fund was established in the North Dakota Constitution in 1889 and was designed to be used to support public education. This provision of the Constitution is a direct result of the Land Ordinances of 1785 and 1787 that set aside section 16 of each township for schools (see Chapter 1 in this 4 part series). In North Dakota, the Constitution set aside two sections, 16 and 36, for the support of public schools. Over the years, much of this land was sold and the proceeds were placed in the Trust Fund. Other monies that are placed in the Trust Fund are revenues from lease payments on school land paid by farmers, ranchers, oil and gas companies, and coal companies. In addition, all royalties from oil, gas, and coal that are severed from school land are placed in the Trust Fund. By the way, if you ever received a speeding ticket, you have contributed directly to the Trust Fund as all fines for moving violations collected by counties also are placed in the school Trust Fund.

The Statement of Revenues, Expenditures and Changes in Fund Balances for the State of North Dakota showed a balance of $739,671,913 in the Trust Fund at the end of the June 30, 2005, fiscal year. The proceeds and interest are dispersed to the schools each year; however, the principal is protected by the Constitution and may not be used for any purpose other than investing for revenue producing reasons. The state Tuition Apportionment payment per census unit is estimated at $351 for 2005-06 and for 2006-07 and the total appropriation for the biennium was $71.6 million. The payment is distributed on the basis of school census (number of students age 6 through 17) and is not equalized based on wealth of a school district. An example might be that a school district has a census count of 400 students age 6-17. This school district will get $140,400 (400 census units [students] x $351) in tuition apportionment. Table 4 illustrates how the system works. The table is illustrative and does not reflect any North Dakota

school districts. Table 4 also illustrates a potential problem that some school finance experts believe should be fixed.

Table 4

| School | Census Includes Parochial Students | Tuition Apportionment (census x $351) | ADM Excludes Parochial Students | Tuition Apportionment (ADM x $351) |
|---|---|---|---|---|
| District A | 7,815 | $2,743,065 | 7,600 | $2,667,600 |
| District B | 3,200 | $1,123,200 | 2,600 | $912,600 |
| District C | 950 | $333,450 | 975 | $342,225 |

School districts multiply their census number times the tuition payment to determine the total payment they will receive from Tuition Apportionment and is shown in the left half of Table 4. If the system was based on average daily membership rather than census as demonstrated in the right half of Table 4, school districts with significant numbers of students enrolled in private schools would lose money and this would be re-distributed to the other public schools in the state, giving those with few students enrolled in private schools more money.

## SUMMER SCHOOL

The state of North Dakota also helps finance summer programs for public schools. These funds are distributed to school districts based on weighted pupil units for high school students and for remedial elementary students. These funds are not equalized. For the 2005-06 school year, the base payment rate is $1,307 and for 2006-07 it is $1,315 for high schools and for summer elementary remedial programs the payments are $1,861 for 2005-06 and $1,872 for 2006-07. The formula for summer school works in a similar manner to the regular year foundation aid formula and uses the same weighted factor for the three school size categories. However, the method of determining the number of days membership is different. Basically, it is important to determine the aggregate number of computed days (see formula below) to figure out how much summer school money a school district will get. The formula for science and vocational courses uses 150 hours to determine computed days membership and other programs use 120 days. The following formula is used to determine the computed days membership:

**Total hours of membership *divided* by (150 hours for science and vocational courses) and by (120 hours for other summer school programs) *times* one fourth *times* 180 days *equals* the Computed Days Membership**

The following formula is used to determine the actual amount of dollars a school will receive for its summer science, vocational, and other classes:

**Foundation aid payment = Aggregate Computed Days Membership *divided* by 180 days *times* the weighted factor *times* the Base Payment Rate**

Again, these funds are not subject to any equalization based on wealth of the school district and are sent directly to school districts.

## ENGLISH LANGUAGE LEARNER (ELL) PROGRAMS

Students who come to North Dakota schools and English is their second language and with no English skills at all create special instructional problems for the public schools. As a result, the Legislature has created a per student payment for English language learner (ELL) students. These funds also are not subject to equalization based on a school district's perceived wealth. In order to be eligible for this program, each school must submit to the State Superintendent an application that includes a description of their ELL program, a result of their assessment, and any other information required by the Superintendent. The assessment that is conducted is to identify the proficiency of the ELL students and weight them accordingly. For example, students who are determined to have preliterate English language skills and a proficiency level of I are weighted at 10.0; those determined to have beginning English language skills and a proficiency level of II are weighted at 8.0; those determined to have intermediate English language skills and a proficiency level of III are weighted at 4.0; and those determined to have basic English language skills and a proficiency level of IV are weighted at 1.0. The NDDPI determines the per student amount by dividing the total weighted students eligible to receive payments in the first year of the biennium into 49% of the total appropriation and then dividing the total number of weighted students into 51% of the total appropriation for the second year. The appropriation amounted to $650,000 for the 05-07 Biennium.

## REVENUE SUPPLEMENT PAYMENTS

This program is for school districts that have below the state average taxable valuation and below the state average educational expenditure per student. This program was appropriated $5 million for the 05-07 biennium. For schools to be eligible for this program, they must meet these five criteria: (1) Be a high school district; (2) Have a cost of education per student less than the state average; (3) Have a taxable valuation per 1-12 (grades) ADM less than the state average; (4) Have a general fund levy including tuition and transportation levies of at least 180 mills; and (5) Have an ending general fund balance less than 35% of general fund expenditures plus $20,000. If the State Superintendent determines that the district meets these criteria, then the Superintendent shall (1) Determine the difference between the latest available statewide average taxable valuation per student and the taxable valuation per student in the district; (2) Multiply the result by the number of students in ADM in grades 1-12; (3) Multiply that result by the number of general fund mills levied by that district in excess of 150, but less than 210; and (4) Multiply that result by the factor 0.420461955, which is set by the Legislature. Here are some made-up facts about a fictitious school district that are applied to illustrate the revenue supplement formula:

**School District Information**

| | |
|---|---|
| Taxable Valuation: | $8,045,002 |
| Average Daily Membership, 1-12: | 465 |
| Taxable Value Per Student: | $17,293 |
| Average Cost Per Pupil | $5,966 |
| General Fund Mill Rate: | 189.81 |
| Cost Per Pupil: | $5,965.73 |
| Ending Fund Balance: | 5% |

**State Information**

| | |
|---|---|
| Statewide Average Taxable Value Per Student: | $18,735 |
| Statewide Average Cost Per Pupil: | $6,384 |

When one compares the school district information to the five criteria outlined in the above paragraph, this district qualifies for revenue supplement payments. When one applies the formula as outlined above, this is the result:

(1) Determine the difference between the latest available statewide average taxable value per student and the taxable value per student in the district:

**$18,735 - $17,293 = $1,442**

(2) Multiply the result by the number of students in ADM in Grades 1-12:

**$1,442 x 465 = $670,530**

(3) Multiply that result by the number of general fund mills levied by that district in excess of 150, but less than 210: (189.81 – 150.00 = 39.81):

**$670,530 x .03981 = $26,694**

(4) Multiply that result by the factor (0.420461955):

**$26,694 x .420461955 = $ *11,234***

This is the school district's revenue supplement payment.

The funding of K-12 public education is complex and it is a daunting task to attempt to understand how it works and how it fits together. This chapter has attempted to help you understand that. If you would like to estimate the total revenue of your school district (i.e., federal revenue, state revenue, and local revenue), a worksheet provided by the North Dakota Department of Public Instruction is at the end of this chapter.

Chapter 1 of this monograph was intended to assist the reader to have a better understanding of the historic basis for American school funding in general and of North Dakota funding in particular. Chapter 2 was intended to explain the taxes that are paid by citizens to support their schools (and some other portions of state government) as well as some of the

problems associated with different kinds of taxes. The purpose of Chapter 3 was to help citizens learn how the state school foundation aid program works and how it is used to financially support the public education of North Dakota children and youth. We know that it takes some effort for the reader to work through this to a point of understanding, but it is worth the effort. Our intent has been to provide you with accurate, clear, and understandable information that would help you build a knowledge base and conversational expertise for discussions about the way schools in our state are funded. We think there will be little to justifiably argue about in the information we have provided in these three chapters.

Chapter 4 will be, as people sometimes say, "A horse of a different color." Our intent in Chapter 4 is to communicate three things to the reader: (1) Our views of what are the inadequacies and inequities of the existing foundation aid program supported with examples; (2) What things citizens, legislators, and Task Force members should be keeping in the forefront of their thinking as they go about the work of revising the way schools in North Dakota are funded; and (3) What we propose as a new school foundation funding program that we think deserves serious consideration by citizens, legislators, and the Task Force appointed by the Governor.

# WORKSHEET FOR ESTIMATING SCHOOL DISTRICT REVENUE

NORTH DAKOTA DEPARTMENT OF PUBLIC INSTRUCTION SCHOOL FINANCE AND ORGANIZATION SFN 9432 (02-06)

District Name

School Year 2006-2007

To calculate the estimated pupil payment for the 2006-2007 school year, use the appropriate lines below. Convert the kindergarten program from whole to half days. For example a 60 full day kindergarten program equals 120 half days (may not exceed 180 half days). Weighted units for the elementary and high school categories are guaranteed at the highest number of students in the next lower category. NOTE: The payment will be based on the greater of ADM or enrollment, with the following exceptions: (1) the ADM will be reduced by the number of students that are attending another school district under the provisions of open enrollment, and (2) the comparison will only be made between current grade levels (e.g. – If a district ceases to offer grades 9-12, the ADM versus enrollment comparison will only be made for grades PK-8). Payments for the previous school year are adjusted to the higher of actual ADM for that school year or the previous year, whichever is higher.

## STATE SOURCES SCHOOL DISTRICT EQUALIZATION FACTORS:

| **Pupil Payments** 1. Preschool Special Education 2. Kindergarten (Convert full days to 1/2 days) 3. Grades 1-6 (less than 100) 4. Grades 1-6 (100 or more) 5. Grades 7-8 | **Students** | **Weighting Factor** X<br>1.1258 = X 0.6710 = X<br>1.3854 = X 1.0064 = X<br>1.0043 = | **Weighted Pupil Units** |
|---|---|---|---|
| 6. Grades 9-12 (Less than 120) 7. Grades 9-12 (120-299) 8. Grades 9-12 (300 or more) | | X 1.2864 = X 1.0303 =<br>X 1.000 = Total Weighted Pupil Units | X $2,879 |

9. Pupil Payment $

10. Transportation (block grant) $

| 11. Tuition Apportionment (Adjusted for students open enrolled in/out of district) | $349 | x | 2005 Census (age 6-17) = | $ |
|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| 12. Special Education ADM Payment (convert KG students to ½ ADM) | $190 | x | ADM | = | $ |

| | | | | | |
|---|---|---|---|---|---|
| 13. Teacher Compensation Payments ($3,000 x the number of eligible teacher FTE employed by the school district September 15, 2006. ($1,000 for 1st year teachers) | | | | | $ |
| 14a. Mill Deduct: | Mills .041 | x | Taxable Valuation $ | = | $ |
| 14b. Excess Fund Balance Deduct: General Fund Ending Fund Balance – (50% of GF Expenditures + $20,000) | | | | = | $ |
| 14c. Minimum Levy Deduct: General Fund, Tuition and Transportation mills levied below 140 mills | Mills | x | Taxable Valuation $ | = | $ |
| 14. Total NDCC 15.1-27-05 Equalization Deductions (Subtotal Lines 14a, 14b, 14c) | | | | | $ |

| | |
|---|---|
| 15. Net State Pupil, Transportation, Tuition Apportionment, Special Education ADM, and Teacher Compensation Payments (Subtotal of Lines 9, 10, 11, 12, 13 minus line 14) | $ |

| | |
|---|---|
| 16. Other Special Education | $ |
| 17. Vocational Education | $ |
| 18. Other State (Technology Grants, Supplemental Payments, English Language Learner, etc) | $ |
| 19. Total Estimated State Aid (Add Lines 15 through 18) | $ |

## FEDERAL SOURCES:

| | |
|---|---|
| 20. Vocational Programs | $ |
| 21. Special Education Programs | $ |
| 22. Title I Program Aid | $ |
| 23. Title II Professional Development Programs | $ |
| 24. Title V Innovative Programs | $ |
| 25. Title III English Language Acquisition | $ |
| 26. Child Nutrition Programs | $ |
| 27. Title XIII Impact Aid | $ |
| 28. Other Federal Revenue | $ |
| 29. Total Federal Revenue (Add Lines 20 through 28) | $ |

## COUNTY SOURCES:

| | |
|---|---|
| 31. Oil and Gas Gross Production Tax | $ |
| 32. Coal Severance | $ |
| 33. Coal Conversion | $ |
| 34. Other County | $ |
| 35. Total County Sources (Add Lines 31 through 34) | $ |

## LOCAL SOURCES:

| | |
|---|---|
| 36. General Fund Levy (From Worksheet Page 4) | $ |

**Other Fund Group 1 Levies (Amount levied depends upon needs):**

| | | | | | |
|---|---|---|---|---|---|
| 37. H.S. Tuition Levy | Mills | x | Taxable Valuation $ | = | $ |
| 38. H.S. Transportation Levy | Mills | x | Taxable Valuation $ | = | $ |
| 39. Judgment Levy | Mills | x | Taxable Valuation $ | = | $ |
| 40. Asbestos Removal Levy | Mills | x | Taxable Valuation $ | = | $ |
| 41. Technology Levy | Mills | x | Taxable Valuation $ | = | $ |
| 42. Remodeling Levy | Mills | x | Taxable Valuation $ | = | $ |
| 43. Alternative Education Programs Levy | Mills | x | Taxable Valuation $ | = | $ |

**Other Fund Group 1 Revenue:**

| | |
|---|---|
| 44. Interest Income | $ |
| 45. Revenue From Patrons | $ |
| 46. Revenue From Other Districts | $ |
| 47. Other Local Revenue | $ |
| 48. Total Local Revenue (Add Lines 36 through 47) | $ |
| 49. Total Estimated Fund Group 1 Revenue (Lines 19 + 29 + 35 + 48) | $ |

**OTHER FUNDS:** The allowable increase does not apply to the following levies.

| | Mills | | Taxable Valuation $ | | |
|---|---|---|---|---|---|
| 50. Special Reserve Levy | | x | | = | $ |
| 51. Building Fund Levy | | x | | = | $ |
| 52. Special Assessment Levy | | x | | = | $ |
| 53. Sinking and Interest Levy | | x | | = | $ |
| 54. 57-15-17.1 Bonding Levies | | x | | = | $ |
| 55. Bond Judgment Levy | | x | | = | $ |

**GENERAL FUND LEVY WORKSHEET**

School districts may use any one of various methods to calculate the maximum levy for the general fund:

1. 1. Eighteen percent increase over last year's levy as authorized by NDCC 57-15-14, up to a maximum of 185 mills.
2. 2. The maximum number of mills authorized by the electors of the district, NDCC 57-15-14.
3. 3. The amount levied in dollars in the base year (the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year, NDCC 57-15-01.1).

The following formulas will work for most school districts. School districts should review NDCC 57-15 and contact their county auditor to determine if any adjustments apply.

**Districts levying at or below 185 mills:**

| | | | | |
|---|---|---|---|---|
| 1. Maximum General Fund Levy Mills .185 | x | Taxable Valuation $ | = | $ |
| 2. 2005-2006 General Fund Levy Mills | x | Taxable Valuation $ | = | $ |
| 3. Maximum 2006-2007 General Fund Levy 1.18 | x | Line 2 $ | = | $ |

(The amount on line 3 cannot be larger than the amount on line 1.)

**Districts levying over 185 mills:**

4. The amount in dollars in the base year

$

## References


http://www.nd.gov/fiscal/docs/appropbook2005-07.pdf

http://www.nd.gov/fiscal/budgetanalysis2005-07/2004_sakakawea_cdrom_data/budget/201_pubic_instruction/reportguide_201.pdf

http://www.nd.gov/fiscal/cafr2005/financesection.pdf

NDCC, Chapter 15.1-27 State Aid

http://www.dpi.state.nd.us/finance/finance/rate0506.pdf

http://www.dpi.state.nd.us/finance/finance/summer06.pdf

http://www.dpi.state.nd.us/finance/finance/remelem06.pdf

http://www.legis.nd.gov/fiscal/biennium-reports/59-2005/budget-analysis/legislative/pdf/legislativebudget/execsum.pdf

http://www.legis.nd.gov/fiscal/biennium-reports/59-2005/budget-analysis/legislative/pdf/legislativebudget/dpioverview.pdf

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http://www.legis.nd.gov/fiscal/biennium-reports/59-2005/budget-analysis/legislative/pdf/legislativebudget/dpihistorical.pdf

http://www.legis.nd.gov/fiscal/biennium-reports/59-2005/budget-analysis/legislative/pdf/legislativebudget/tuition.pdf

http://www.dpi.state.nd.us/resource/finfacts/2006/2006.pdf


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End Notes

[15] http://library.findlaw.com/1999/Dec/1/129939.htm

[16] www.dpi.state.nd.us
[17] North Dakota Century Code (NDCC), 15.1-27
[18] North Dakota Century Code (NDCC), 15.1-27
[19] North Dakota Century Code (NDCC), 15.1-27
[20] North Dakota State Budget
[21] North Dakota Department of Public Instruction
[22] North Dakota Legislative Council

Chapter 4

# Understanding School Finance: Major Issues, Problems, and Potential Solutions

By

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## PROBLEMS WITH THE CURRENT SYSTEM

There are several issues and problems related to the North Dakota school financing system as outlined in the North Dakota Century Code. This chapter will attempt to identify and explain those issues and problems as well as suggest some potential solutions to address the issues and problems.

### Problem 1: Definition of Wealth for Equalization Purposes

As you are aware from reading Chapters 2 & 3, the definition of school district wealth in North Dakota only includes taxable real property. There are many other sources of wealth that are enjoyed by school districts. For example, some have wealth in the form of oil, gas, coal, and federal impact from which school districts receive revenue in lieu of property tax payments by the federal government or various energy companies. The problem this presents is that the revenue received from these sources is not equalized as property tax collections are and potentially violates the equal protection clause of the North Dakota Constitution.

Many people believe that individual income of school district residents is another indicator of wealth as those with higher incomes are better able to pay property tax. Some people believe that the value of a business, not just its buildings and land, should be part of a school district's wealth. Others believe that the value of tax exempt property (churches, government buildings such as courthouses, universities, etc.) should be part of the wealth of a school district, which would result in some urban school districts seeing a huge increase in their taxable value and might even move them from being perceived as poor districts to wealthy districts.

Because of all the above issues, it is imperative that the definition of school district wealth be expanded to include much more than real taxable property. This can be done in a variety of ways:

(1) A foundation aid formula could be devised that does take into account all of the sources of revenue that districts have and the state adds money to the district's revenue to allow each district to achieve a preset per pupil spending level. A new foundation aid formula will be proposed as a separate section to this chapter.

(2) Formulas could be developed that result in an imputed value being added to the real property taxable wealth of school districts for energy and impact aid revenues of school districts. In other words, adding the amount of taxable value it would take to raise the same dollar amount in property tax that schools are now receiving from other sources such as oil, gas, coal severance, and impact aid.

(3) Adding the value of tax exempt property, income level of individuals, and the value of businesses to the wealth of a school district should be debated. The writers imagine this will be a highly contentious debate. For example, if the State Capitol building as well as all of the other state buildings' taxable value was added to the wealth of the Bismarck school district, the taxable value would increase tremendously. This, of course, under the current formula, would increase the "deduct" (see Chapter 3) for Bismarck substantially, while at the same time not giving any new revenue to the district. If this were to happen, the state could pay the Bismarck district per pupil payments in lieu of paying property tax. Let's say hypothetically that the Capitol building [not including the other buildings on the grounds] has a market value of $400,000,000; then it would have an assessed value of $200,000,000 and a taxable value of $20,000,000 (refer to explanations given in Chapter 3) which would be added to the Bismarck district's total taxable value and would therefore increase the amount deducted through the equalization factor of the foundation aid formula. If the mill rate for Bismarck is 185 mills, this would increase their revenue by $3,700,000. However, because state property is not taxable, neither of these currently happen. Many small school board members and administrators believe the value of the state, county, and city property should be added to the taxable value of districts like Bismarck. But they do not believe that additional revenue should be given to Bismarck as they do not get the taxes from the property value. Therefore, if we apply the taxable value ($20,000,000) to the district's total, and apply the deduct, they will lose approximately $840,000. If we allow Bismarck to tax the State Capitol, they would receive $3,700,000 in property tax. We think the solution is to apply the non-taxable property to the total district taxable value, then develop a way to pay the district dollars in lieu of property tax or alternatively let them tax the property. Of course, this is something the state has resisted strongly when similar consideration was given to school lands, for example.

Problem 2: The Legislative Appropriations for School Districts Are Inadequate and the No New Tax Pledge of Politicians

The history of legislative appropriations for foundation aid to school districts indicates that the amount is not keeping up with the increased costs of salaries, supplies, materials, or for maintenance and operations. As a result of inadequate state appropriations for schools, the districts have had to raise their property tax levies to the point that it has become very burdensome for most people, especially those with growing families and those who are on fixed incomes. When one considers inflation plus a modest 3-4% increase each biennium since 1981,

it would take more than $400 million to equal the purchasing power that the per pupil payment had in 1981. (This is something that Joe and I calculated for a tax increase proposal back in the '90s)

The problem of inadequate appropriations is directly linked to the issues surrounding taxation in North Dakota. When the state provides inadequate financial support, property taxes must be increased to satisfy the demands of the people for education, social services, recreation, and other services such as highways and roads at the local level. If the property tax burden is to be lowered, the obvious solution is that state taxes must be increased.

Problem 3: Using Weighted Factors in the Formula

The weighted factor issue is related to the rural legislators who wish to make sure that the smaller schools received money in addition to the base payment (see Chapter 3) due to economies of size. As you recall from Chapter 3, the larger a school's enrollment, the more efficient they appear because they can have more students per teacher than smaller schools. The cost per pupil in small schools with less than 100 students in grades 1-6 is generally larger than the cost per pupil in grades 1-6 of schools that are larger or more than 100 students. When the ratio is determined as described in Chapter 3, this has resulted in small schools having higher weighted factors and therefore receiving more money per pupil than larger schools. Currently, there are eight weighted factor categories. Many people believe that there should be fewer categories. One solution could be reduce the factors to K-12 school size rather than grade categories. For example, let's say that schools having enrollments of 150 and less would have a factor of 1.5; 151 to 450 the factor would be 1.25, and over 450, the factor would be 1.0. Another potential solution is to eliminate the weighted factors altogether and create a separate "sparcity" payment for schools that are isolated.

Problem 4: Lack of Vertical Equity in the Formula

Vertical equity is a concept that creates equity in state payments within school districts for costs per pupil based on the type of educational needs students might have or desire. For example, schools have career and technical education, special education, home education, etc. Each of these programs produces a larger cost per pupil than the regular education programs. In other words, it costs more to educate a special education student than it does a regular education student. It also costs more to educate students in vocational classes than regular classes and, of course, it costs more to educate students who are home bound or hospitalized or for some other reason are not able to attend school. Currently, the North Dakota formula does not take into account any vertical costs. Instead, the Legislature makes additional and separate appropriations for special education, career and technical education, etc.

This problem should be addressed in any reform of the school finance program in North Dakota. A potential solution is to place all of the appropriated dollars for these programs into the foundation aid program and distribute them based on a ratio related to the severity of the disability or the cost of the vocational program. For example, it could mean that some severely disabled students would qualify for 3 base payments, while others with less severe disabilities

might qualify for 1.5 base payments. The same logic could be applied to auto mechanics and family and consumer science.

Problem 5: Teacher Compensation as a Separate Appropriation

Since 2001, the state has been making a separate appropriation to schools specifically earmarked for teacher salaries. The purpose has been to raise salaries so they are more comparable and competitive with other states. While this has helped raise salaries considerably, it adds to the complexity of the finance program in North Dakota. Many people believe that the funds currently appropriated for teacher compensation should be part of the foundation aid appropriation and that teacher salaries should be determined by the local school boards. A potential solution to this problem is to put the money in foundation aid and then require the schools to allocate at least 90% of their state foundation aid base entitlement to teacher salaries. After all, the state is only picking up about 45% of the cost annually. A very good argument can be made that the state is already funding salaries at 100% as the foundation aid payments only account for about 45% of the district expenditures. If the state stepped up to the plate by adopting the plan proposed at the end of this chapter and began providing at least 70% or more of the funding, then a lower percentage could be contemplated. Another approach that could be considered would be to develop a system whereby the state paid 100% of all instructional costs and the local tax would cover things such as transportation, food service, athletics, operations, and maintenance. However, this also causes concern as the richer districts would be able to provide many more amenities in local programs than poorer districts.

Problem 6: Allocation of Tuition Apportionment Funds

As you recall from the earlier discussion on tuition apportionment, the Legislature decided early in our history that this money would be distributed to schools based on their census of people from ages 6-17. Over the years, some people have decided that they believe these dollars should be allocated to schools based on their average daily membership rather than on the school district census. If this were to happen, it would shift money from school districts in which private schools are located to school districts that do not have private schools. It seems that the best solution is to not change the current statutes and continue the long-held practice of distributing money based on census.

The problem with this system, however, is that the distribution of the tuition apportionment dollars is not equalized based on district wealth. Again, the solution appears to be to use the imputed formula system that was described in section (2) of Problem 1.

Problem 7: Declining Enrollments and Sparsity Factors

The shrinking population in North Dakota is presenting a serious problem for schools as well as all of the other political subdivisions that provide services to people. It is very difficult to sustain services such as education, law enforcement, medical services, and social services when there are fewer than six people per square mile. This is the case with our state today as about two thirds of our counties have become "frontiers" again as the population has dwindled to the frontier definition or level.

The school financing program in North Dakota is based on population. As the number of school age children declines, the number of dollars generated by the foundation aid formula declines as well. The problem that results is that the costs to provide the educational experiences for children do not decline at the same rate as the decline in revenue. For example, if a school district were to lose 15 students, that is a sizeable amount of revenue, and about one teacher's salary. However, schools can not cut a teacher based on this loss, as these 15 students generally are spread out through the K-12 grades. It might take several years of declining enrollments before a teaching position can be cut.

It seems that a viable solution is to develop a sparsity formula that would provide extra money to school districts that are declining rapidly. For example, criteria could be developed that would identify a school that should receive sparsity funds. These criteria could include a reasonable distance from another high school, percentage of decline over the past three years, and wealth of the district.

## THINGS TO KEEP IN MIND WHILE CHANGING THE SYSTEM OF FUNDING SCHOOLS

It should go without saying that finding solutions to all these problems identified with the current school financing system should be in the forefront of the thinking of all those having the responsibility for revising and improving that system. These problems are of such a magnitude that they eliminate the possibility of minor adjustments applied to the current system. The writers believe there are other problems that must be dealt with directly.

### Thinking about Property Taxes, Other Taxes, and Their Fairness

One major issue has to do with taxes. The property tax, as the major source of income for schools, cities, counties, and park districts, is excessive and unfair. As noted in Chapter 2, it is a regressive tax. Further, because of the limited dollars amounts that can be raised from this source, too many functions of government are now being supported. So, we all need to be thinking about how to make changes in the taxing system that would be fair and would provide the support of all governmental functions at an appropriate level. The writers believe that means there must be a limit on the amount of property tax used to support schools and that beyond that amount the appropriate tax source for education is the income tax. Minnesota uses what the writers consider to be a helpful and fair way of determining how much tax should come from different levels of income. (See the discussion about Income Tax and Table 2 in Chapter 2 to review this concept.)

### Thinking about What We Want to Get from Our Education System

The writers believe everyone needs to seriously consider the amount of state money that should be used to support the schools in North Dakota. We know that the children of North Dakota are the state's most precious resource. We believe that providing adequate and equitable opportunity for a world-class education is in both the short-term and long-term best interests of our state and is clearly a powerful and reachable economic development plan that is both within

the spirit and the letter of the Economic Roundtable Report that has given so much guidance to the Legislative Assembly over the last few biennia. If our students received a world-class K-12 education, they could and would go out into the world and do many good things—including becoming the captains of industry and business. They would know the advantage to locating their companies in North Dakota and would bring enormous resources including a youthful population back to the state. Further, citizens all across America would covet the education provided children in North Dakota and some, perhaps many, would be willing to pull up stakes and move to North Dakota so their children could have the advantage of the world-class education provided here. We think this is not a "pie in the sky" idea, but a truly reachable outcome that most North Dakotans would give their sincere support. To accomplish this, we would have to make two changes in the thinking that seems to have guided us in the past. First, we would have to emphasize the long-term instead of the short-term view of our future. Second, we would have to think of the taxes we pay for high quality schools as an investment in our future rather than as a burden. This high quality education would be one of the things that would attract business, manufacturing, and research and development enterprises to North Dakota. The new jobs that would be created would help us keep our young people here. And, those who left and found success elsewhere would want to bring their businesses back to North Dakota so their employees could have the benefits of the kind of education and quality of life experiences they had here as children and youth. This would be good business.

Thinking About the Responsibilities of Citizens Related to School Financing

The writers believe that it is essential that a large segment of the adult population in North Dakota needs to become much better informed about the way in which our state gathers and spends its tax resources and the consequence of those actions. Then citizens need to find a voice to express their views of what should be done to fund education (and other governmental programs) available to citizens of the state. The purpose of the first three chapters of this monograph was to provide citizens accurate and clear information on these topics. The purpose of this chapter is to provide our best thinking about what the factual information provided in those first three chapters means and what should be done about it. We do not expect that you will agree completely with everything we say. But, we ardently hope you will give serious thought to these ideas, and then discuss these ideas with your neighbors, with school employees, with members of the Task Force, and with your legislators. In support of these ideas, Thomas Jefferson once wrote, "If a nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be." Thomas Jefferson to Charles Yancey, 1816. ME 14:384.[33] He also wrote, "The information of the people at large can alone make them the safe as they are the sole depositary of our political and religious freedom." Thomas Jefferson to William Duane, 1810. ME 12:417.[34] We agree with Jefferson that the appropriate depositary of power is vested in the people and that their informed enlightenment is essential to our continued freedom.

Thinking About Equality of Opportunity

The writers believe the truth of the assumption that every child is potentially as valuable as every other child to the future of North Dakota. It is for this reason that every child in public school should have an equal opportunity to develop her/his talents to the maximum of his/her

ability! Of course, we know that every student does not take full advantage of the opportunity that is provided. That is unfortunate, but it does not absolve us from the responsibility of providing the opportunity. The accident of where a child is born or where her/his family finds employment or chooses to live should not dictate the quality of her/his education. This does happen now because the resources to education are not distributed based on equity. As you noted when reading Chapter 3, most of the sources of school funding are not equalized. This is a problem that can be and should be corrected. All sources of school funding should be equalized so that every citizen in any location in the state can count on the highest quality of educational opportunity for his/her children.

Thinking about What Quality Education Contributes to a Community and a Society

The writers believe that legislators, generally speaking, make their decisions based on their perceptions of what the citizens in their legislative districts want. We believe they are honorable people who intend to be careful and frugal in the way they deal with your tax dollars. They want to get the most possible in services for you and secure high quality services for the lowest dollar amount. We don't have any quarrel with that point of view. What we think has not been made clear to them is that the citizens of North Dakota want a world-class education system.

We know that in most districts in the state fewer than 25% of the adult population have children now attending public schools. So, what about all those who have no children in school? These people frequently are aunts and uncles or grandparents of kids who are in school. Further, every citizen who lives in a community with good schools has many advantages that come from these schools right now, today. Good schools work at making learning interesting, even fun. These schools work at keeping kids who have difficulties of any kind in school and learning. If these kids were not in school and learning, they would be on the streets, mostly with nothing to do. With no source of income, at least some of them would resort to crime to obtain money—perhaps taking things from peoples' garages and the like. Senior citizens might be afraid to walk uptown to get groceries. There would be more vandalism. Kids who got put into a lock-up somewhere would be costing many more dollars to house and educate than it would cost to provide a world-class education right at home. There would likely be more drug use among those not attending school. These kids would be influencing kids who do attend school to try drugs. Kids doing drugs make a lot of other mistakes too, which likely include some criminal kinds of mistakes. All the damages that would be likely will push up the cost of police protection and home insurance. However, with a world-class school, kids would not only be in school, many more would be making the most of their opportunity. Kids would be learning useful skills as well as preparing themselves for success in adult life. Many would be in school projects where they would do helpful things for their communities—serving as interns in businesses, building a habitat house for a less fortunate family, helping to pick up trash in the city park, etc. Citizens need to quit asking legislators to take the "No New TAXES Pledge" and legislators need to refuse to take any such pledge. Citizens need to let legislators know they don't want them to waste tax dollars, but they do want them to use them to provide a higher quality of education than they are now providing—a world-class education. We think you should be thinking about what a world-class education would cost and then providing it.

Thinking About the "If It Ain't Broke" Cliche and about Change

We hear the cliche, "If it ain't broke, don't fix it." We believe we have made a case that school finance is broken in North Dakota. Some will not agree that the system is broken, so it is common sense to address the "ain't broke" argument which then will be forwarded in one form or another. An examination of the apparent wisdom expressed in this idea can be shown to be a faulty assumption. For instance, if I had a perfectly good Model T truck, I wouldn't want to argue that it is what I should use to haul my grain to the bin or elevator. If I had a perfectly good Royal or Underwood typewriter, I wouldn't want to argue that my secretary/bookkeeper should use it in favor of a Dell Pentium computer as a way to correspond with customers, suppliers, and sales personnel. And so far as arguing about the paperback bookkeeping ledger v. the computer—let's not even go there. The tools we use to do our jobs change and the level of needed investment in how to do the job and how to gain in market share, or even keep one's market share level, is a changing target. Most of the adult population in the United States lives in a different world than the one into which we were born. The Industrial Revolution and the Information Society have come and mostly have gone. We now live in a Global Society. Just consider, if you spent your days shopping for only products that were made of raw materials that came from the USA and that were then manufactured into goods in the USA, you would have to do without a lot of things you consider essential to your life. Further, the things you could purchase you probably would not be able to afford. We now are bound up with the rest of the world to the extreme. Often, we call to get help from a technician at the factory or company headquarters and discover we are talking with someone in China or India or Romania. The world has changed. We hardly noticed as it was changing, but the change is profound and it has the potential to be good or bad for us, for our society, and for the way of life we have come to expect. Thomas Friedman, Pulitzer Prize winning author and syndicated columnist with the *New York Times*, has a new book titled *The World is Flat: A Brief History of the Twenty-First Century.*[35] When he says the "world is flat," he means the same thing we mean when we say "the playing field is level." We can compete without advantage or disadvantage. How did this happen? Events from the 1980s to today have brought the use of technology, particularly the computer, its software, and the internet, into play in such a way that it allows a single individual anywhere in the world to have the same access to market her/his product or service as does every other individual or business. Further, Friedman says that the competition is fierce and other societies are working day and night to take over first place from the USA as the economic leader and therefore the superpower of the world. He asserts that the United States doesn't have to give up its first-place position, but we can't hang on to it by doing the same old things in the same old way. First, we have to recognize that we must change the way we do business. Second, we must be willing to ship "physical labor" jobs out of the country in favor of "knowledge worker" jobs. Third, we have to prepare our children and youth to handle the knowledge worker jobs. To do this, we will need to provide a much richer and more demanding education than we have provided to our children. The evidence is all around us. We must make significantly larger investments in education and we must demand that these investments produce the higher quality of education needed to fill the knowledge worker jobs. Friedman says we just have one chance to get this right, otherwise another society, another nation will replace us at the top. Furthermore, we have to get it right every time. So, in the now famous words of American citizen Todd Beemer on United Airline's Flight 93, "Are you guy's ready? Let's roll!"[36] This is the resolve we need.

## SCHOOL FUNDING MODEL PROPOSAL

In order to deal with the equity and adequacy issues that are facing the state of North Dakota, it is imperative that a new way of looking at the entire school funding system has to be developed and implemented. Throughout this monograph, the writers have been discussing several problems regarding the current system. The problems focus on the distribution of funds where that distribution has not been done with **equity** and certainly the funds fail to meet the criteria of **adequacy** to provide for the **"world-class"** educational system that the people want and children deserve. Therefore, we are proposing the following ideas as a beginning:

- That perfect equity is generally impossible.

- That a system based on fiscal neutrality should be developed. A fiscal neutral system would be one that allows for school districts to raise equal dollars per pupil for a given tax rate and one that makes local and state dollars equal across all school districts in North Dakota. This would mean that the power of school districts to raise funds through property tax would be equalized and that through state allocations each school district can function as if it had an equal property tax base.

- That a system based on horizontal and vertical equity should be developed. Horizontal equity would require that students who are alike should be treated the same—"equal treatment for equals." This assumes that all elementary, middle, and high school students are alike or similar. Vertical equity would require that the system also recognize that there are differences between students and that some need more services than others. These differences include, but are not limited to, children with disabilities, children with economic disadvantages, and children with limited English language skills. Additional vertical equity considerations should include programs in career and technical education, advanced placement courses, lab science courses, districts with sparse populations, and transportation.

- That each district should be required to levy a specific mill rate on their taxable value with allowances for a 15% and 25% excess levy if the school board and voters approve the excess levy.[37]

Based on these ideas, the proposed model makes the following assumptions:

- Every district in North Dakota would levy 185 mills.

- If the mandatory levy generates more dollars than necessary to operate any school district, the excess funds would be "recaptured" or claimed by the state.

- The state would set an adequacy or target per pupil expenditure amount that would be at least 90% of the national average cost per pupil as calculated by the United States Department of Education

- Each district would be allowed to establish an excess levy of 15% with a majority vote of the school board and an excess levy of 25% with a majority vote of the qualified electors in the school district.

- That all revenue sources (i.e., local, state, and federal) are included in the model

- That a power equalizer is included so that the power of school districts to raise funds through property tax would be equalized and that through state allocations each school district can function as if it had an equal property tax base.

- Allocations would be made by the state to satisfy vertical equity considerations.

The following table presents a model of how a new system might work based on the foregoing assumptions. This table includes four school districts with varying enrollments, taxable values, and sources of revenue. The total amount of dollars available for each district to spend is targeted at $10,000 per pupil prior to applying the optional 25% excess levy.

**PROPOSED STATE FUNDING MODEL**

| | District - 972 | District - 116 | District - 8600 | District - 977 |
|---|---|---|---|---|
| **Taxable Value Per Pupil** | $ 10,018.00 | $ 46,172.00 | $ 12,361.00 | $ 9,888.00 |
| **Required Mills** | 185 | 185 | 185 | 185 |
| **Local Revenue Per Pupil** | $ 1,853.33 | $ 8,541.82 | $ 2,286.79 | $ 1,829.28 |
| **State Recapture** | $ - | $ - | $ - | $ - |
| **County Revenue Per Pupil** | $ 1,014.00 | $ - | $ - | $ - |
| **Federal Revenue Per Pupil** | $ 156.00 | $ 823.00 | $ 1,446.00 | $ 574.00 |
| **Total Revenue Per Pupil** | **$ 3,023.33** | **$ 9,364.82** | **$ 3,732.79** | **$ 2,403.28** |
| **Total State Aid Per Pupil** | $ 6,976.67 | $ 635.18 | $ 6,267.22 | $ 7,596.72 |
| **Total Available Per Pupil** | **$ 10,000.00** | **$ 10,000.00** | **$ 10,000.00** | **$ 10,000.00** |
| **25 % Excess Levy (46.15 mills)** | $ 463.33 | $ 2,135.46 | $ 571.70 | $ 457.32 |
| **Power Equalizer (State Contribution)** | $ 1,672.12 | $ - | $ 1,563.76 | $ 1,678.14 |
| **Total Allowable Expenditure** | **$ 12,135.46** | **$ 12,135.46** | **$ 12,135.46** | **$ 12,135.46** |

In order to understand this model, an explanation of each part of the model is necessary. An attempt will be made to help the reader understand the details. The writers are hopeful that the following bulleted format will be useful:

- The district number (**District 972**) actually represents the enrollment of the district that is represented in this table.

- The **taxable value per pupil** is determined by dividing the school districts total taxable value by the by the census (age 6-17) of each district. This value also can be found in the NDDPI publication *Finance Facts*.

- The **required mills** represent the number of mills that every district would be mandated to levy.

- The **local revenue per pupil** is determined by multiplying the 185 mills times the taxable value per pupil ($10,018 x .185 = $1,853.33). The result is displayed in dollars that represent how much each of the four districts could raise per pupil locally. This, of course, means that some school district mill rates will be increased to 185 and that some will be decreased to 185 for general fund purposes.

- The **state recapture** row is the number of dollars that a district can generate without state aid that is over the $10,000 per pupil expenditure target. This money would go into the state general fund and redistributed to other school districts in the form of state foundation aid. This recapture amount would be taken only from the property tax levy and not the county and federal funds. In this example, none of the districts would be subject to the state recapture.

- The **county revenue per pupil** simply represents the amount of dollars a school district gets from county sources. This primarily would be composed of gas, oil, and coal revenues. The total amount of revenue from the county for each school district is divided by the number of students in that district to determine the county revenue per pupil.

- The **federal revenue per pupil** represents the total dollars a school district receives in federal funds such as title programs and federal impact aid divided by the enrollment of the district.

- The **total revenue per pupil** is just a sum of all of the revenue a school district can generate with 185 mills, county resources, and federal resources divided by the district enrollment.

- The **total state aid per pupil** is the difference between what the school district can generate through local, county, and federal sources and the $10,000 targeted expenditure.

- The **25% excess levy** would be applied if the qualified electors voted by simple majority for the levy. In this example, it would add 46.25 mills to the local revenue. The dollars per pupil this levy would raise for each district is displayed on this row.

- The **power equalizer** is another state contribution that would equalize the dollars that districts could raise with an additional 25% levy. In this example, District 116 can raise $2,135.26, so the state contribution would bring the other three up to the same amount.

- The **total allowable expenditure** is the total amount that these school districts could spend per pupil including the 25% excess levy.

## Proposed Foundation Aid Formulas

What follows is a proposed foundation aid formula that addresses each of the points made in the section on the School Funding Model Proposal. The writers believe it corrects the Problems with the Current System. Finally, the writers believe it gives thoughtful consideration to the Things to Keep in Mind While Changing the System of Funding Schools. We recommend that North Dakota citizens and the Governor's Task Force on School Finance study this approach and formula. We believe that doing so will result in recommending this approach and formula to the Governor and to the Legislative Assembly. We thank the reader for taking the time to give it serious consideration.

### Proposed Foundation Aid Formula for North Dakota K-12 School Funding

1. School District Taxable Valuation times 185 mills divided by School District ADM (or fall enrollment, whichever is largest) = **Local Revenue Per Pupil.**

2. School District County Revenues divided by School District ADM (or fall enrollment, whichever is largest) = **County Revenue Per Pupil.**

3. School District Federal Revenues divided by School District ADM (or fall enrollment, whichever is largest) = **Federal Revenue Per Pupil.**

4. **Total Revenue Per Pupil** = Local revenue per pupil + county revenue per pupil + federal revenue per pupil.

5. **State Aid** = School District Total Revenue Per Pupil plus the difference between the target expenditure (Total Amount Available) and the School District Total Revenue Per Pupil.

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End Notes

[33] Letter from Thomas Jefferson to CharlesYancey, 1816. ME 14:384

[34] Letter from Thomas Jefferson to William Duane, 1810. ME 12:417

[35] T. L. Friedman. The World is Flat: A Short History of the Twenty-First Century. Farrar, Straus, and Giroux, New York, 2005.

[36] http://www.post-gazette.com/headlines/20010916phonecallnat3p3.asp

[37] Odden, A.R. & Picus, L.O. (2004). *School Finance: A Policy Perspective.* (3rd Ed.). Boston: McGraw-Hill

Prepared by the North Dakota Legislative Council staff

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# PER STUDENT AND TRANSPORTATION AID CONTINGENT DISTRIBUTIONS FOR THE 2005-07 BIENNIUM

Sections 27 and 28 of House Bill No. 1154 (2005) provide that if any funds appropriated for the 2005-07 biennium for per student and transportation aid payments remain unspent after all statutory obligations are met, the Department of Public Instruction shall distribute the funds as follows:

1. The first $759,000 to the general fund.
2. The next $450,000 for providing additional payments to school districts serving English language learners in accordance with North Dakota Century Code (NDCC) Section 15.1-27-12.
3. The next $1 million for providing additional per student payments to school districts participating in eligible educational associations.
4. Any remaining amounts as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

At the present time, the Department of Public Instruction anticipates approximately $14 million of per student and transportation aid may be available for distribution as contingent payments. The following is a summary of the estimated funding available for contingent payments, distributions currently in statute, and **additional** distributions being considered by the 2007 Legislative Assembly:

| | | |
|---|---|---|
| Per student and transportation aid available for distribution as contingency payments | | $14,000,000 |
| Distributions currently in statute | | |
| Return of money to the general fund (Section 27 of 2005 House Bill No. 1154) | $759,000 | |
| Provide additional payments to school districts serving English language learners in accordance with NDCC Section 15.1-27-12 (Section 28 of 2005 House Bill No. 1154) | 450,000 | |
| Provide additional per student payments to school districts participating in eligible educational associations (Section 28 of 2005 House Bill No. 1154) | 1,000,000 | |
| Subtotal - Distributions currently in statute | | 2,209,000 |
| Funding remaining | | $11,791,000 |
| Additional distributions being considered by the 2007 Legislative Assembly | | |
| Reimburse eligible school districts that received reduced amounts of state aid. An eligible school district is one that received a reduction in state aid during the 2005-07 biennium because the district's general fund levy fell below 140 mills as the result of an accounting oversight (Senate Bill Nos. 2013 and 2388). | $25,748 | |
| Provide additional payments to school districts offering an adult education program during the 2005-07 biennium (Senate Bill No. 2013) | 200,000 | |
| Provide payments to school districts that are members of eligible educational associations for the 2007-09 biennium (Senate Bill No. 2013) | 2,000,000 | |
| Fund the rewrite of the state school aid computer system (Senate Bill No. 2013) | 500,000 | |
| Fund the rewrite of the teacher licensure application used by the Department of Public Instruction and the Education Standards and Practices Board (Senate Bill No. 2013) | 650,000 | |
| Provide funding to the Education Standards and Practices Board for providing payments to recipients of national board certification and scholarships to individuals seeking national board certification (Senate Bill Nos. 2013 and 2057) | 77,000 | |
| Purchase automated external defibrillators and placing one in each public and nonpublic school (Senate Bill Nos. 2013 and 2313) | 400,000 | |
| Provide a grant to the North Central Council of School Television for licensing of education television programs for classroom use by North Dakota elementary and secondary schools, assisting with the North Dakota studies project, and other operating expenses (Senate Bill No. 2013) | 395,000 | |
| Provide a grant for the Atlantik-Brucke teacher exchange program (Senate Bill No. 2013) | 50,000 | |
| Transfer funding to the State Department of Health for providing grants to single school districts, multiple school districts, or educational associations governed by joint powers agreements, to initiate or enhance school nursing services (House Bill No. 1004) | 1,000,000 | |
| Subtotal - Additional distributions being considered by the 2007 Legislative Assembly (**NOTE:** Senate Bill No. 2013 and House Bill No. 1004 would need to be amended to address a conflict in the prioritization of additional distributions.) | | 5,297,748 |
| Funding remaining to be distributed as additional per student payments (Section 28 of 2005 House Bill No. 1154) | | $6,493,252 |

Freborg 4/12/07 DM

**SENATE BILL 2200**
**COMMITTEE HEARING**

Good Morning Chairman Freborg and members of the Senate Education Committee.

For the record, my name is Rae Ann Kelsch, a Representative from District 34, Mandan.

I stand before you today in support of SB 2200. I had the honor to be appointed to the Governor's Commission on Education Improvement a little over a year ago. The process was put into motion and the rest of this story will go down in history. This process gave me the opportunity to work with professionals that eat, sleep and work with the educational system in North Dakota on a daily basis. I found this process to be much more appealing and less adversarial. I appreciated that fact that I could sit across from these professionals versus sitting in a courtroom. While some may argue that this bill is not perfect, nor is it good for "their district", however, I will argue that those individuals are only referring to one specific area and are not looking at the bill as a whole. I ask this Committee to look at this bill in it's entirety and consider the effect that this bill will have in addressing the education equity issues in the state of North Dakota. I am asking you and the school districts in North Dakota to look at this product the result of a stay in litigation, from a lawsuit that was filed. Certainly, the process that was followed in developing this legislation, was far better than the process that would have ensued with the courts making the decisions for us.

This is not just another legislative session, this is a "generational reset". We have the opportunity this session to move the North Dakota education system forward, in a fair and equitable manner.

Thank you for your time and I will address any questions you may have.

**SENATE BILL 2200**
**COMMITTEE HEARING**

Good Morning vice-Chairman Meier and members of the House Education Committee.

For the record, my name is Rae Ann Kelsch, a Representative from District 34, Mandan.

I stand before you today in support of SB 2200. I had the honor to be appointed to the Governor's Commission on Education Improvement over a year ago. The process was put into motion and the rest of this story will go down in history. This process gave me an opportunity that I had never had previously....to work with professionals that eat, sleep and work with the educational system in North Dakota on a daily basis. I found this process to be much more appealing and far less adversarial. I appreciated the fact that I could sit across from these professionals and work diligently together versus sitting in a courtroom, glaring at each other.

I ask this Committee to look at this bill, as it was introduced, and as it has been amended by the Senate and consider the effect that this bill will have in addressing the education equity issues in the state of North Dakota. I am asking you and the school districts in North Dakota to remember that this legislation is the result of a stay in litigation, from an equity lawsuit that was filed in 2005. We need to move forward, in a unified manner, for the students in our state. They are, in fact, our most valuable resource.

Certainly, the process that was followed in developing this legislation, was far better than the process that would have ensued with the courts making the decisions for us.

This is not just another legislative session, this is a "generational reset". We have the opportunity this session to move the North Dakota education system forward, in a fair and equitable manner.

# Testimony on SB 2200
# Senate Education Committee
# January 17, 2007

Chairman Freborg and members of the Senate Education Committee, for the record, I am Rep. David Monson from Dist. 10 in northeastern ND. For many years we have been tweaking and patching our present K-12 funding formula. It has served us quite well, but with each change we made over the years it developed some serious flaws that made it a formula that did not work for everyone anymore. It is now nearly impossible to fix.

The Governor's Commission on Education Improvement was established about a year ago to try to stave off a lawsuit brought against the state by districts that felt that the old formula was not working. It was inequitable in how money was distributed from the state to the districts. I was honored to be asked to become a member of this commission. As a state representative and a long time school administrator, I was in a rather unique if not awkward position as to which "hat" I would wear. As we proceeded with our task of developing an equitable formula, I was pleased to find that everyone at the table had nothing on their agenda other than to truly develop the best formula for ALL school districts in the state. We all wore the same "hat". We were commission members working toward a common goal.

I am pleased to be here today to tell you that I believe the bill before you contains as equitable a formula as we can hope for at this time. In the past year we have met all around the state, considered everyone's needs and wishes, and boiled it down to this bill. It is not perfect, but nothing ever is. It does contain a dynamic formula meant to change as our schools and their needs change. It's a good bill that I hope you consider favorably.

# Testimony on SB 2200
# Senate Education Committee
# January 17, 2007

Chairman Kelsch and members of the House Education Committee, for the record, I am Rep. David Monson from Dist. 10 in northeastern ND. For many years we have been tweaking and patching our present K-12 funding formula. It served us well, but with each change we made over the years it developed some serious flaws that made it a formula that did not work for everyone anymore. It is now nearly impossible to fix.

The Governor's Commission on Education Improvement was established about a year ago to try to stave off a lawsuit brought against the state by districts that felt that the old formula was not working. It was inequitable in how money was distributed from the state to the districts. I was honored to be asked to become a member of this commission. As a state representative and a long time school administrator, I was in a rather unique if not awkward position as to which "hat" I would wear. As we proceeded with our task of developing an equitable formula, I was pleased to find that everyone at the table had nothing on their agenda other than to truly develop the best formula for ALL school districts in the state. We all wore the same "hat". We were commission members working toward a common goal.

I am pleased to be here today to tell you that I believe the bill before you contains the beginning of a new age in ND K-12 funding. It provided more equity when it started in the Senate Education Committee than it does in its current state, but it is a huge improvement over the formula we have in law now. I ask your committee will make some improvements and turn out a formula that will do the right thing for our students.

# SB 2200

Testimony from
Senator Tim Flakoll

Chairman Freborg and members of the Senate Education committee for the record I am Senator Tim Flakoll from District 44.

You have before you SB 2200 which is the school finance bill that in one session will provide a tremendous level of equity and make a giant step towards adequacy.

Equity is a tremendously challenging problem in our state. Currently we have an average state-wide imputed taxable value reported at $17,801/student. The problem comes because the value per pupil across the state ranges from a low as $220 per student up to a high of $427,231/student. That means the highest level students are supported by 1,942 times more money than the lowest student.

The current formula is flawed in a number of ways due to its inability to provide both in terms of the limited dollars that are subject to any kind of rebalancing and the antiquated provisions for providing equity.

At our current rate it would take more than 52 years to achieve any semblance of equity on a portion of the total dollars we provide for K-12 education using the mill levy deduction formula.

The provisions found in SB 2200 provide for mass customization where the dollars follow the children. It provides schools with a more predictable level of base funding and makes aggressive strides towards adequacy in funding for such important needs as special education, English Language Learners and "At Risk" students.

With your support, we will be able to insure that each and every student in the state of North Dakota is immediately provided with

at least 90% of the state-wide average in funding per student. The alternative is an expensive lawsuit where the Legislature relinquishes its control over school funding to the courts. In other states that has resulted in a scenario where there is **no regard for balanced budgets** or **keeping certain schools open** and in one state, each and every funding and academic change has to be approved by the Courts. This is certainly not what the Legislature would like or what our constituents, the tax payers of the state expect out of us.

Our work was not easy but we each pledged our full effort to deliver an improved formula. I often describe our work as Sudoku (the paper mind building numeric puzzle) for education finance junkies.

Equity requires mature reflection, it requires us to be blind to parochial interests and it requires statesmen and stateswomen who act as the board of directors of the entire state and **put the well being of kids first.** It requires us to put the education of our children ahead of special interest groups. It requires us to visualize the future, a future where a student has the same opportunities for the required core curriculum regardless of where their parents live.

At it core SB 2200 contains a provision for the equitable distribution of all money state funding for schools including $80.5 million of new money.

Does the bill contain provisions that this committee has in the past sought to change to increase equity? Certainly. Case in point is the sections of the bill that move FTE payments into the main pot of money so that those dollars could be run though the equity formula. As I am sure the Chair and returning committee members remember, last session this committee did just that (transfer money from FTE line to the per student line) on March 15, 2005. So as you can see, the bill before you carries provisions that reflect the previous efforts of Chairman Freborg's committee.

Chairman Freborg and members of the Senate Education Committee, during our testimony your will hear support from administrators representing small to large public schools as well as from the Superintendent of Public Instruction. You will also hear testimony in support of this bill from many of the major education groups in the state.

Please also note that the sponsors include Legislators from both sides of the aisle who are respected leaders on education issues in our state.

Following their remarks and insight, Lt. Governor Jack Dalrymple will walk the committee through the bill, section by section. He will take approximately 30-40 minutes to go through the 55 sections of the bill and our portion of the testimony will conclude with Warren Larson, the Superintendent of the Williston School District. Certainly we will all be available at your call to clarify any questions you may have.

Mr. Chairman, last week was an important anniversary. It marked the one year anniversary of the start of the work by the Commission on Education Improvement. The committee chose a most rigorous path that led to the final version of the bill that is before you today. The Commission held meetings in numerous points across the state as we took the process to the people. Numerous hearings and sub-committee meetings were held in many communities including: Bismarck, Williston, West Fargo, Minot, Grand Forks and Valley City.

**SB 2200 comes to you backed by a unanimous vote from the ND Commission on Education Improvement, which to even the most casual observer is significant.**

Mr. Chairman that concludes my comments and I would be happy to stand for questions.

ELL

District Report By Language Level
2005-2006 State Payment for English Language Learners

| | | Level Code (Content area) | | | | No assistance | |
|---|---|---|---|---|---|---|---|
| CoDist | Data | I | II | III | IV | V | Grand Total |
| 2002 | Students | 1 | | | | | 1 |
| Valley City 2 | Weighted Students | 10 | | | | | 10 |
| | Payment | 290.73 | | | | | 290.73 |
| 8001 | Students | 7 | 14 | 171 | 167 | 2 | 361 |
| Bismarck 1 | Weighted Students | 70 | 112 | 684 | 167 | 0 | 1,033 |
| | Payment | 2,035.11 | 3,256.26 | 19,885.59 | 4,854.69 | 0.00 | 30,031.65 |
| 9001 | Students | 140 | | 296 | 177 | 30 | 643 |
| Fargo 1 | Weighted Students | 1,400 | | 1,184 | 177 | 0 | 2,761 |
| | Payment | 40,702.20 | | 34,421.84 | 5,145.39 | 0.00 | 80,269.43 |
| 9006 | Students | 76 | 59 | 81 | 41 | 6 | 263 |
| West Fargo 6 | Weighted Students | 760 | 472 | 324 | 41 | 0 | 1,597 |
| | Payment | 22,095.48 | 13,722.81 | 9,419.49 | 1,191.87 | 0.00 | 46,429.65 |
| 11040 | Students | | 1 | 7 | 15 | 1 | 24 |
| Ellendale 40 | Weighted Students | | 8 | 28 | 15 | 0 | 51 |
| | Payment | | 232.59 | 814.03 | 436.05 | 0.00 | 1,482.67 |
| 11041 | Students | | | 3 | 18 | 3 | 24 |
| Oakes 41 | Weighted Students | | | 12 | 18 | 0 | 30 |
| | Payment | | | 348.87 | 523.26 | 0.00 | 872.13 |
| 18001 | Students | 25 | 34 | 75 | 62 | 13 | 209 |
| Grand Forks 1 | Weighted Students | 250 | 272 | 300 | 62 | 0 | 884 |
| | Payment | 7,268.25 | 7,908.06 | 8,721.75 | 1,802.34 | 0.00 | 25,700.40 |
| 18044 | Students | | 1 | 12 | 3 | | 16 |
| Larimore 44 | Weighted Students | | 8 | 48 | 3 | | 59 |
| | Payment | | 232.59 | 1,395.48 | 87.21 | | 1,715.28 |
| 18127 | Students | 2 | 2 | 7 | 4 | | 15 |
| Emerado 127 | Weighted Students | 20 | 16 | 28 | 4 | | 68 |
| | Payment | 581.46 | 465.18 | 814.03 | 116.28 | | 1,976.95 |
| 18128 | Students | 2 | 3 | 23 | 7 | 3 | 38 |
| Midway 128 | Weighted Students | 20 | 24 | 92 | 7 | 0 | 143 |
| | Payment | 581.46 | 697.77 | 2,674.67 | 203.49 | 0.00 | 4,157.39 |
| 22026 | Students | | 1 | 1 | 2 | | 4 |
| Steele-Dawson 26 | Weighted Students | | 8 | 4 | 2 | | 14 |
| | Payment | | 232.59 | 116.29 | 58.14 | | 407.02 |
| 23003 | Students | | 9 | 8 | 4 | | 21 |
| Edgeley 3 | Weighted Students | | 72 | 32 | 4 | | 108 |
| | Payment | | 2,093.31 | 930.32 | 116.28 | | 3,139.91 |
| 23008 | Students | 2 | 3 | 14 | 12 | 2 | 33 |
| LaMoure 8 | Weighted Students | 20 | 24 | 56 | 12 | 0 | 112 |
| | Payment | 581.46 | 697.77 | 1,628.06 | 348.84 | 0.00 | 3,256.13 |
| 24056 | Students | 1 | | | | | 1 |
| Gackle-Streeter 56 | Weighted Students | 10 | | | | | 10 |
| | Payment | 290.73 | | | | | 290.73 |
| 25060 | Students | | | 1 | 3 | | 4 |
| TGU 60 | Weighted Students | | | 4 | 3 | | 7 |
| | Payment | | | 116.29 | 87.21 | | 203.50 |
| 26019 | Students | 1 | | | | | 1 |
| Wishek 19 | Weighted Students | 10 | | | | | 10 |
| | Payment | 290.73 | | | | | 290.73 |
| 27002 | Students | 1 | | | | | 1 |
| Alexander 2 | Weighted Students | 10 | | | | | 10 |
| | Payment | 290.73 | | | | | 290.73 |
| 28050 | Students | | | 1 | | | 1 |
| Max 50 | Weighted Students | | | 4 | | | 4 |
| | Payment | | | 116.29 | | | 116.29 |
| 29027 | Students | | 1 | 4 | 7 | | 12 |



Flakoll 1/28/07

District Report By Language Level
2005-2006 State Payment for English Language Learners

| | | Level Code | | | | | |
|---|---|---|---|---|---|---|---|
| CoDist | Data | I | II | III | IV | V | Grand Total |
| Beulah 27 | Weighted Students | | 8 | 16 | 7 | | 31 |
| | Payment | | 232.59 | 465.16 | 203.49 | | 901.24 |
| 32066 | Students | | | 3 | | | 3 |
| Lakota 66 | Weighted Students | | | 12 | | | 12 |
| | Payment | | | 348.87 | | | 348.87 |
| 34006 | Students | 2 | 9 | 19 | 11 | 1 | 42 |
| Cavalier 6 | Weighted Students | 20 | 72 | 76 | 11 | 0 | 179 |
| | Payment | 581.46 | 2,093.31 | 2,209.51 | 319.77 | 0.00 | 5,204.05 |
| 34012 | Students | | 3 | 13 | 7 | 1 | 24 |
| Valley 12 | Weighted Students | | 24 | 52 | 7 | 0 | 83 |
| | Payment | | 697.77 | 1,511.77 | 203.49 | 0.00 | 2,413.03 |
| 34043 | Students | 1 | 2 | 13 | 9 | | 25 |
| St Thomas 43 | Weighted Students | 10 | 16 | 52 | 9 | | 87 |
| | Payment | 290.73 | 465.18 | 1,511.77 | 261.63 | | 2,529.31 |
| 39037 | Students | | 2 | 11 | 10 | | 23 |
| Wahpeton 37 | Weighted Students | | 16 | 44 | 10 | | 70 |
| | Payment | | 465.18 | 1,279.19 | 290.70 | | 2,035.07 |
| 40007 | Students | | | 517 | 855 | | 1,372 |
| Belcourt 7 | Weighted Students | | | 2,068 | 855 | | 2,923 |
| | Payment | | | 60,121.93 | 24,854.85 | | 84,976.78 |
| 41002 | Students | 7 | 1 | 13 | 10 | 8 | 39 |
| Milnor 2 | Weighted Students | 70 | 8 | 52 | 10 | 0 | 140 |
| | Payment | 2,035.11 | 232.59 | 1,511.77 | 290.70 | 0.00 | 4,070.17 |
| 47001 | Students | 12 | | | 2 | | 14 |
| Jamestown 1 | Weighted Students | 120 | | | 2 | | 122 |
| | Payment | 3,488.76 | | | 58.14 | | 3,546.90 |
| 49007 | Students | | | 12 | | | 12 |
| Hatton 7 | Weighted Students | | | 48 | | | 48 |
| | Payment | | | 1,395.48 | | | 1,395.48 |
| 50003 | Students | 5 | 13 | 30 | 14 | | 62 |
| Grafton 3 | Weighted Students | 50 | 104 | 120 | 14 | | 288 |
| | Payment | 1,453.65 | 3,023.67 | 3,488.70 | 406.98 | | 8,373.00 |
| 50078 | Students | 1 | 2 | 7 | 7 | 1 | 18 |
| Park River 78 | Weighted Students | 10 | 16 | 28 | 7 | 0 | 61 |
| | Payment | 290.73 | 465.18 | 814.03 | 203.49 | 0.00 | 1,773.43 |
| Total Students | | 286 | 160 | 1,342 | 1,447 | 71 | 3,306 |
| Total Weighted Students | | 2,860 | 1,280 | 5,368 | 1,447 | 0 | 10,955 |
| Total Payment | | 83,148.78 | 37,214.40 | 156,061.18 | 42,064.29 | 0.00 | 318,488.65 |

# SB 2200

**Senator Tim Flakoll** – prime sponsor
Monday, March 5, 2007

**House Education Committee**
- Kelsch
- Meier
- Haas
- Hanson
- Herbel
- Hunskor
- Johnson
- Karls
- Mueller
- Myxter
- Solberg
- Sukut
- Wall

Madam Chairman and members of the House Education committee, for the record I am Senator Tim Flakoll from District 44.

You have before you SB 2200 which is the school finance bill. This bill is not a political placebo, but legislation that will be the new bricks and mortar that will form the bedrock for our new funding formula. It will in one session provide a tremendous level of equity and make a giant step towards adequacy.

Equity is a tremendously challenging problem in our state. Currently we have an average state-wide imputed taxable valuation per student reported at $17,271 (at $17,801/student at 75% imputation level as the bill was introduced). The problem comes because the valuation per pupil across the state ranges from a low of $220 per student up to a high of more than $425,000/student. That means the highest level students have1,900 times money behind them than the lowest level students.

The current formula is flawed in a number of ways due to its inability to provide for us, both in terms of the limited dollars that are subject to any kind of rebalancing and the antiquated provisions for providing equity.

Our current formula is a murky stew of calculations that are historically based more on politics than on mathematical objectivity and appropriateness. Our current formula, I dare say, is known and understood by fewer people than the formula for Coca-Cola.

Using our current mill levy deduction formula, it would **take more than 52 years** to achieve any semblance of equity on a portion of the total dollars we provide for K-12 education.

The provisions found in SB 2200 provide for mass customization where the dollars follow the individual child. It will insure that funding for students are not just leveled, but that they are uplifted to a higher plain of equity. It provides schools with a more predictable level of base funding. The new formula makes aggressive strides towards adequacy in funding, by adding weighting factors for such important, but costly needs such as special education, English language learners (ELL - formerly termed ESL), "at risk" students and those students in remote school settings. It also includes a **first time provision** for weighting factors for graded elementary (K-6 and K-8) students to adjust for the inefficiency of those districts.

With your support, we will be able to insure that each and every student in the state of North Dakota is immediately provided with at least 90% of the state-wide average in funding per student.

Equity requires mature reflection, it requires us to be blind to parochial interests and it requires statesmen and stateswomen who act as the board of directors of the entire state and to **put the well being of kids first.** It requires us to put the education of our children ahead of special interest groups. It requires us to visualize the future with a broader view of education funding, to insure a future where a student has the same opportunities for the required core curriculum regardless of where their parents live.

At its core, SB 2200 in collaboration with SB 2013 (the DPI budget bill) contains provisions for the equitable distribution of state funding for schools including $82.5 million of new money.

This, I believe is the largest influx of new dollars for K-12 education in the history of North Dakota. Using historical references, the $82.5 million is 20% higher than the combined K-12 total appropriation increases for a continuous twelve-year period in the 1980's and 1990's.

**Madam Chairman and committee members with $82.5 million in the funding proposal, you have the opportunity to go on record as voting in favor of the largest increase in K-12 funding in the history of the state. That level of funding is a tremendously large and important step. Committee members, just as important as this giant step is, is the fact that SB 2200 will allow us to take a giant step in the <u>right direction</u>.**

A giant step toward a direction that creates greater equity and adequacy to insure that each student in the state begins to have a more fair and adequate level of funding so that they can individually reach their potential.

Chair Kelsch, SB 2200 comes to you backed by a unanimous vote (as originally introduced) from the ND Commission on Education Improvement and a very strong endorsement (46 – 1) from the Senate, which to even the most casual observer is significant.

I am sure that you and your committee are already well versed in the provisions of the bill. I look forward to seeing the work that the House Education committee puts into the bill and welcome any improvements that you can add to the bill.

Madam Chairman that concludes my comments and I would be happy to stand for questions.

**End of testimony**

**Major Provisions of the bill include:**

1) Provides $80.5 million (SB 2200) in new funding for schools (plus $2 million in SB 2013, the DPI budget).

2) Provides significant increase in state payments for school districts so that every school is at least 90 percent of the statewide average imputed taxable valuation per student.

3) Provides an increase of 30 percent for students who qualify for special education contracts for these very high cost students (costing from approximately $26,000 to more than $150,000 per student). The new legislation will require the state to pay 100 percent of the costs for special education contract students who cost more than 3.5 times the statewide average for the upcoming biennium. For the 2009-2011 biennium, that threshold is reduced to 3 times the statewide average, and the state will cover an even greater portion of students in the 2011–2013 biennium when it drops to 2.5 times the statewide average.

4) Provides for a minimum increase of 102 percent in per student payments the first year and 103 percent the second year with a cap of 107 percent the first year and 110 percent the second year (excluding any equity funding).

5) Provides $8 million in new special education funding for per student payments and for the high cost contract students.

6) Provides financial assistance of 50 to 200 basis points in interest buy down to districts that meet established criteria for reorganization.

7) Provides $1.2 million in new money to provide two new career and technical centers to be built in underserved areas.

8) Appropriates $800,000 in new money to the State Board for Career and Technical Education to encourage greater cooperative delivery of career and technical education programs.

9) Increase of 100 percent in the direct appropriation for Joint Powers Agreements with an increase from $1 million to $2 million in funding.

10) Provides $5 million for all-day kindergarten programs ($3 million in SB 2200 and $2 million in SB 2013). This is a new initiative and the first time we have provided funding for full-day kindergarten.

11) Provides categorical weighting factors for areas such as small isolated schools, kindergarten, special education, early childhood education, alternative high schools and ELL students.

12) Establishes simplified school-size weighting factors to reflect differences in efficiencies between schools of varying sizes. Weighting factors range from 1.0 in larger districts to 1.25 in smaller districts.

13) For the first time ever, the formula provides a special weighting factor for graded elementary schools (ex. K-6 and K-8 schools).

14) Reorganized schools receive a handsome incentive by the creation of a blended weighting factor based on each district's school-size weighting factor prior to reorganization. Requires a long, six-year transition/hold harmless provision.

15) To provide greater equity, the bill establishes the provision for "imputed taxable valuation" and defines it as the valuation of all taxable real property in the district plus an amount determined by dividing 50 percent of in-lieu-of-tax categories such as the district's mineral revenue by the district's general fund mill levy.

16) Currently in law, a "small isolated high school" is one that has fewer than 35 students in ADM, and15 percent of those students are required to travel more than a 20-mile radius to attend school. The 20-mile radius was amended to a 15-mile radius. Those additional rural students will now enjoy a 25 percent increase in base funding per student.

17) Provides a trigger mechanism whereby if actual state income exceeds projections by $30 million, then $10 million will go to school districts for deferred maintenance programs. Under the program, each district will get $20,000 which will add up to approximately $4 million, plus the school districts will be given their pro rata share of the remaining money using the latest available average daily membership of each school district.

18) Establishes a line for contingency money, which is appropriated money that remains after all statutory payment obligations have been made for the biennium. The first million or so much money as necessary will go to cover any unmet special education contract obligations. The second million will go for Joint Powers Agreements. The third line would pay all remaining money in additional per student payments.

19) Continues FTE payments based on teacher numbers.

20) Requires a minimum local effort of 150 mills in year one and 155 mills in year two.

21) Continues the requirement that 70 percent of new state dollars from per pupil payments be earmarked for increased teacher compensation.

22) Allows each school district to provide special education through an educational association governed by a joint powers agreement, in addition to the two current options, which are to provide special education services as a single district or as a multi-district unit.

-- END --

Not printed with state dollars

**Flakoll, Tim**

[redacted] Thomas, L. Anita
Flakoll, Tim

**Sent:** Wed 4/4/2007 5:08 PM

**Cc:**
**Subject:** RE: Question
**Attachments:**

**2013 makes the following payments from the 2005-07 contingency fund:**

1. $450,000 English language learners

2. $1,000,000 JPAs

3. $25,748 Glenburn accounting error

4. $200,000 adult education

5. $2,000,000 2007-09 JPA funding

6. $500,000 rewrite of the state school aid computer system

7. $650,000 rewrite of the teacher licensure application

8. $77,000 national board certification

9. [redacted]00,000 automated external defibrillators

[redacted]95,000 north central council of school television for licensing of education television programs

11. $50,000 for the Atlantik-Brucke teacher exchange program.

12. Remainder - ADM payments

---

**From:** Flakoll, Tim
**Sent:** Wednesday, April 04, 2007 4:33 PM
**To:** Decker, Tom G.; Coleman, Jerry A.; Thomas, L. Anita
**Subject:** Question

Can someone provide me a list of the eleven or so things that the House robbed money from the current biennium's contingency fund for?

Looking for general definition (example mentoring program) and amount for each item.
It would be great if you can reference a bill where possible.

Senator Tim Flakoll
District 44
1350 Second Street North
Fargo, ND 58102

[redacted]

SF 4/10/07

# Contingency Payments History

| Biennium | Session | Bill | | |
|---|---|---|---|---|
| 1997-1999 | 55 | SB 2388 | $11.7 Million | no contingency provisions |
| 1999-2001 | 56 | SB 2162 | $5.0 Million | $1 M on ADM basis |
| | | | | $1 M on K-12 enr declines over a five year period capped at 500 students |
| | | | | * $2 M for reorganization bonuses |
| | | | | Remaining funds on ADM basis |
| | | | | * deleted by HB 1301 and reappropriated 1,665,000 for reorganizations becoming effective July 1, 2001 to June 30, 2003. |
| 2001-2003 | 57 | HB 1344 | $3.9 Million | $2 M ... $250 for each student lost between 1997 and 2000 limited to 400 students |
| | | | | $1.1 M ... hold harmless on teacher compensation allocation |
| | | | | Remaining funds on wpu |
| 2003-2005 | 58 | SB 2421 | $3.2 Million | $.3 M minimum levy deduct redistribution |
| | | | | $.5 M hold harmless on teacher compensation allocation |
| | | | | * $.1 M deficiency |
| | | | | $.2 M JPA expense reimbursement |
| | | | | $.5 reorganization bonus |
| | | | | $1.6 M ADM basis |
| | | | | * added by HB 1311 for districts impacted by minimum levy deduct |
| 2005-2007 | 59 | SB 1154 | $14.1 Million est. | $759,000 return to General Fund |
| | | | | $450,000 for ELL programs |
| | | | | $1 M for JPA funding |
| | | | | Remaining funds on ADM basis |

As amended by SB 2013

| | |
|---|---|
| 759,000 | Return to GF (section 27) |
| 450,000 | ELL |
| 1,000,000 | JPA Distribution |
| 25,748 | Glenburn deficiency |
| 200,000 | Adult Education |
| 2,000,000 | JPA 2007-2009 |
| 500,000 | Fnd Aid Rewrite |
| 650,000 | ESPB Teacher Licensure Rewrite |
| 77,000 | ESPB Stipends |
| 400,000 | AED Purchases for Schools |
| 395,000 | NCCST grant |
| 50,000 | Teacher Exchange - SBA |
| 7,593,252 | Remaining funds on ADM basis ... estimated |



SF 4/10/07 3PM

**NDLA, S EDU**

**From:** Flakoll, Tim
**Sent:** Wednesday, April 04, 2007 8:29 AM
**To:** NDLA, S EDU
**Subject:** Bismarck Tribune Editorial

*Bismarck Tribune Editorial, April 4, 2007*
*Please include this in the packet of testimony and support materials etc for SB 2200*

# Mineral tax revenue should lower school aid

The North Dakota Legislature still needs to determine how to make state aid to school districts equitable.

Legislators have made progress toward sorting out one aspect of the quandary: whether — and if so, to what extent — to count the value of energy tax income received by some school districts in decreasing the amount of funding they can expect from the state.

Count 100 percent of the income as a deduction under the formula that will determine aid, House members decided last week by a 62-25 vote.

Perhaps the decision doesn't please school districts that get the most direct revenue from oil, gas and coal taxes. All school districts in the state benefit to some extent from the excise and severance taxes that go to the state and are divied up.

There's a matter of fairness.

It's right to make the deduction from state aid to districts fortunate enough to be in the mineral rich area of the state, even though they may face other difficulties such as sparse population or relatively low assessed valuation of all property.

Equalization is about taking all factors, including income sources, into account.

Decisions on K-12 public school financing still have to be untangled by a conference committee. No one's crystal ball seems to show clearly right now what the outcome will be.

Make no mistake: Unless the final product solves most if not all inequities, the lawsuit filed by nine school districts against the state very likely will spring back to life. We need to be reminded that the suit was neither dismissed nor withdrawn, only stayed.

Legislators face the difficult task of accomplishing major work, trying to find ways to give meaningful property tax relief and at the same time take some of the financial burden off school districts. Trying to coordinate those efforts must be like dealing with the Pushmi-Pullyu of the Doctor Dolittle books. Read it push-me-pull-you, the antelope with two heads, one at each end of its body. Each head wanted to go

forward in the direction it was facing.

With entities not wanting their revenue raising capabilities to be subject to stricter caps, with taxpayers in distress over tax statements, with so many deserving projects still competing for funding, with school districts' interests at cross-purposes, it will be a marvel if the lawmakers can accomplish substantial resolution of all the legislation that remains.

There are decisions to be made on education and other spending that probably won't end up pleasing everyone totally.

The decision to count mineral tax revenue against state aid to some districts is one such difficult decision.

But it's the right one.

79682

BOB STENEHJEM
State Senator
Chairman

JOHN D. OLSRUD
Director

JAY E. BURINGRUD
Assistant Director

JIM W. SMITH
Legislative Budget
Analyst & Auditor

JOHN WALSTAD
Code Revisor

# North Dakota Legislative Council

STATE CAPITOL, 600 EAST BOULEVARD, BISMARCK, ND 58505-0360 (701) 328-2916 TTY: 1-800-366-6888

April 10, 2006

Honorable Tim Flakoll
State Senator
Senate Chamber
State Capitol
Bismarck, ND 58505

Dear Senator Flakoll:

In response to your questions regarding the common schools trust fund, the following is a summary of the principal balance of the common schools trust for the last 10 years:

| June 30 Balance | Fund Balance (Excluding Land) |
|---|---|
| 1997 | $400,689,879 |
| 1998 | $444,823,559 |
| 1999 | $467,059,293 |
| 2000 | $521,509,978 |
| 2001 | $533,360,593 |
| 2002 | $522,905,814 |
| 2003 | $541,856,666 |
| 2004 | $614,738,548 |
| 2005 | $686,273,875 |
| 2006 | $759,975,860 |

The common schools trust has earned a total average return of 8.13 percent per year for the 10-year period ending June 30, 2006. This ranges from a high of 13.57 percent in fiscal year 1998 to (1.34) percent in fiscal year 2002. These figures include both interest income and capital gains. Under current law, only the interest income is available for distribution each year. Capital gains are amortized to income over a 10-year period.

Please contact this office if you have any questions or need further information.

Sincerely,

Jim W. Smith
Legislative Budget Analyst and Auditor

JWS/PG

SF 4/10/07 30M

Criteria:
Minimum $25,000 over Base year

Miller #1.

1) Uses Preliminary Projections for Enrollment declines in the Next biennium

2) Changes are measured from the Base year.

3) does not Reflect a Rate Reduction to Fund it.

#10 - #12 oil rate

4) X = Anticipated reorganizations + dissolutions

82,000
76,000
#158,000

5) Rough estimate of cost

980,000 yr 1
1,245,000 yr 2

#2,225,000

<158,000> reorgs + dissolutions

#2 Million

JC
2007-3-13
DPS

Mueller #2

**59 SCHOOLS RECEIVE LESS THAN $25,000 OVER BASE YEAR AND HAVE NO LESS THAN 30 STUDENTS**

**YEAR ONE (1)** **(7-0)**

| PAYMENT | SCHOOL | ENROLLMENT |
|---|---|---|
| $1138 | Halliday K-12 | 38 |
| $1444 | Little Heart K-8 | 31 |
| $1488 | Sterling K-8 | 44 |
| $1961 | Oberon K-8 | 44 |
| $1733 | Tuttle-Pettibone will close end of 2007 | 48 |
| $1735 | Sheldon-Enderlin Jul 1 | 37 |
| $1787 | Wildrose-Alamo closed | 52 |
| $2063 | McClusky K-12 | 127 |
| $2225 | Newburg K-12 | 97 |
| $2333 | Alexander K-12 | 74 |
| $2375 | Goodrich K-12 | 60 |
| $2627 | Golden Valley dissolving | 57 |
| $3064 | Edmore-Adams K-12 coop | 117 |
| $3210 | Lone Tree K-6 | 71 |
| $3264 | Wolford K-12 | 73 |
| $3358 | Kensal K-12 | 89 |
| $3422 | Zeeland K-12 | 86 |
| $3496 | Apple Creek K-8 | 64 |
| $3618 | Grenora K-12 | 103 |
| $3814 | Bisbee-Egeland K-12 combine w Starkweather | 107 |
| $4099 | North Central July 1 2009 | 85 |
| $4424 | Bowbells K-12 | 108 |
| $4430 | Rhame Bowman | 112 |
| $4507 | Burke Central K-12 | 116 |
| $5349 | Wing K-12 | 100 |
| $5417 | Gackle-Streeter K-12 | 146 |
| $5421 | Fairmount K-12 | 142 |
| $5686 | Mapleton K-8 | 105 |
| $6534 | Kulm K-12 | 174 |
| $6960 | North Central-Rogers | 180 |
| $7150 | Dodge dissolved | 40 |
| $7803 | Wimbledon-Courtenay July 1 07 K-12 | 197 |
| $7956 | Midkota K-12 | 195 |
| $8432 | Drayton K-12 | 205 |
| $9635 | New 8 K-8 | 233 |
| $9773 | Litchville-Marion K-12 | 235 |
| $9548 | Fessendon-Bowdon K-12 | 245 |
| $10,453 | Twin Buttes K-8 | 58 |
| $14,934 | Starkweather K-12 | 124 |

Candoit 2008 18

| | | |
|---|---|---|
| $15,243 | Ft. Totten 9-12 | 224 |
| $15,837 | Mandaree K-12 | 240 |
| $16,283 | Adams Bdmore K-6 | 97 |
| $17,870 | Bell K-8 | 175 |
| $18,987 | Yellowstone K-8 | 106 |
| $19,085 | Glenburn K-12 | 340 |
| $19,297 | Ft. Yates K-12 | 207 |
| $20,912 | TGU K-12 | 116 |
| $21,046 | Anamoose K-12 | 117 |
| $21,432 | Maple Valley K-12 | 343 |
| $21,973 | Manvel K-8 | 214 |
| $22,538 | Munich K-12 | 147 |
| $22,837 | Page Hope K-6 Coop | 148 |
| $23,183 | Sheyenne-New Rockford | 128 |
| $23,279 | Powers Lake K-12 | 126 |
| $23,607 | St. Thomas K-12 | 146 |
| $23,956 | Tappen K-12 | 133 |
| $24,068 | Selfridge K-12 | 127 |
| $24,137 | Emerado K-8 | 135 |
| | | About 8,000 students |

**41 SCHOOLS RECEIVE LESS THAN $25,000 DURING YEAR TWO (2)**

Mueller #3

ND Govenor's Commission on Education Improvement
District Example - Year 1

Newburg-United 54 05054

| Description | ADM | Weighting Factor | District Total | State Total |
|---|---|---|---|---|
| 1-12 ADM | 70.27 | 1.000 | 70.27 | 91,613.69 |
| KG ADM | 4.00 | 0.500 | 2.00 | 3,342.50 |
| PK Sp Ed ADM | 0.40 | 1.000 | 0.40 | 926.89 |
| Base ADM | | | 72.67 | 95,883.08 |
| | | | | |
| Alt High School (Add'l Factor) | - | 0.250 | - | 196.87 |
| Special Ed ADM (Scaled ADM) | 72.67 | 0.063 | 4.58 | 6,040.70 |
| PK Special Ed ADM | 0.40 | 0.170 | 0.07 | 157.59 |
| Summer School | 1.00 | 0.600 | 0.60 | 1,168.33 |
| ELL Students (1-2) | - | 0.230 | - | 102.58 |
| ELL Students (3-4) | - | - | - | - |
| Home-Based (Supervised) | - | 0.500 | - | 73.39 |
| Migrant Summer | - | 1.000 | - | 95.92 |
| Special Ed ESY | - | 1.000 | - | 62.26 |
| Cross Border Attendance | - | 0.200 | - | 28.45 |
| At Risk KG | 0.56 | - | - | - |
| Isolated ADM adjustment | - | 1.000 | - | 7.00 |
| Isolated Elem | - | 0.250 | - | 62.78 |
| Isolated HS | - | 0.250 | - | 5.35 |
| Weighted ADM | | | 77.92 | 103,884.30 |
| School Size Weighting Factor | | | 1.2500 | |
| Weighted Student Units | | | 97.40 | 109,248.98 |
| Per Student Payment | | | 2,872.68 | 2,872.68 |
| Total Formula Payment | | | 279,798.95 | 313,837,264.05 |
| Adjustments | | | | |
| EFB Offset | | | - | (654,947.39) |
| High Valuation Offset | | 75% | (279,798.95) | (7,591,393.70) |
| Minimum Levy Offset | | 150 | - | (688,244.19) |
| Equity Payment | | 90% | - | 17,490,926.17 |
| Net Formula Payment | | | 0.00 | 322,393,604.94 |
| Transition Adjustment Minimum | | 2.0% | 113,443.49 | 3,944,093.09 |
| Transition Adjustment Maximum | | 7.0% | - | (7,470,649.32) |
| State Aid Payment | | | 113,443.50 | 318,867,048.71 |
| | | | | |
| Total 2005-06 Entitlement (less Transp, State Resp/Excess Cost Reimb, Ed Assoc, Teacher Comp, Prior Year Adustments) | | | 111,218.96 | 290,907,739.37 |
| **Difference** | | | **2,224.54** | **27,959,309.34** |
| **Minimum Payment** | | | **22,775.62** | **790,690.65** |
| **Final** | | | **25,000.16** | **28,749,999.99** |
| | | | | |
| **2005-2006 State Aid Payments** | | | | |
| Per Student | | | 255,071.25 | 288,757,549.15 |
| Transportation | | | 53,457.00 | 16,426,073.97 |
| Tuition Apportionment | | | 27,065.50 | 35,623,119.00 |
| Special Education | | | 13,661.96 | 18,022,027.80 |
| Teacher Compensation | | | 45,570.00 | 25,370,550.00 |
| Gross Entitlement | | | 394,825.71 | 384,199,319.92 |
| Deducts (other) | | | (187,027.75) | (58,391,214.70) |
| Deducts (transp) | | | - | (216,213.81) |
| Prior Year Adjustments | | | - | (1,937,819.94) |
| Line 8 Adjustments | | | - | (221,923.15) |
| Summer/ESY/Migrant | | | 2,448.00 | 4,073,280.50 |
| Education Association | | | 601.73 | 750,000.00 |
| Home School Supervised | | | - | 226,412.12 |
| Tuition Reimbursement | | | - | 1,144,735.40 |
| Supplemental Revenue | | | - | 2,500,000.00 |
| English Language Learner | | | - | 318,488.65 |
| Total Entitlement | | | 210,847.69 | 332,445,064.99 |
| Sped to Unit | | | - | 558,552.39 |

ND Govenor's Commission on Education Improvement
District Example - Year 1

| | | |
|---|---|---|
| PI3940 Foundation Aid Payment Report Ln 14 L | 210,847.69 | 333,003,617.38 |

ND Govenor's Commission on Education Improvement
District Example - Year 2

Grenora 99 53099

| Description | ADM | Weighting Factor | District Total | State Total |
|---|---|---|---|---|
| 1-12 ADM | 59.62 | 1.000 | 59.62 | 91,613.69 |
| KG ADM | 8.17 | 0.500 | 4.09 | 3,342.50 |
| PK Sp Ed ADM | - | 1.000 | - | 926.89 |
| Base ADM | | | 63.71 | 95,883.08 |
| | | | | |
| Alt High School (Add'l Factor) | - | 0.250 | - | 196.87 |
| Special Ed ADM (Scaled ADM) | 63.71 | 0.063 | 4.01 | 6,040.70 |
| PK Special Ed ADM | - | 0.170 | - | 157.59 |
| Summer School | 0.79 | 0.600 | 0.47 | 1,168.33 |
| ELL Students (1-2) | - | 0.230 | - | 102.58 |
| ELL Students (3-4) | - | - | - | - |
| Home-Based (Supervised) | - | 0.500 | - | 73.39 |
| Migrant Summer | - | 1.000 | - | 95.92 |
| Special Ed ESY | - | 1.000 | - | 62.26 |
| Cross Border Attendance | 6.00 | 0.200 | 1.20 | 28.45 |
| At Risk KG | 3.33 | 0.500 | 1.67 | 994.64 |
| Isolated ADM adjustment | - | 1.000 | - | 7.00 |
| Isolated Elem | 32.23 | 0.250 | 8.06 | 62.78 |
| Isolated HS | 21.39 | 0.250 | 5.35 | 5.35 |
| Weighted ADM | | | 84.47 | 104,878.94 |
| School Size Weighting Factor | | | 1.2500 | |
| Weighted Student Units | | | 105.59 | 110,308.92 |
| Per Student Payment | | | 2,955.59 | 2,955.59 |
| Total Formula Payment | | | 312,080.53 | 326,027,709.66 |
| Adjustments | | | | |
| EFB Offset | | | - | (674,793.00) |
| High Valuation Offset | | 75% | (259,340.14) | (7,638,352.14) |
| Minimum Levy Offset | | 155 | - | (1,323,126.73) |
| Equity Payment | | 90% | - | 17,490,926.17 |
| Net Formula Payment | | | 52,740.39 | 333,882,363.96 |
| Transition Adjustment Minimum | | 3.0% | 137,344.15 | 3,924,325.07 |
| Transition Adjustment Maximum | | 13.8% | - | (3,578,980.64) |
| State Aid Payment | | | 190,084.54 | 334,227,708.39 |
| | | | | |
| Total 2005-06 Entitlement (less Transp, State Resp/Excess Cost Reimb, Ed Assoc, Teacher Comp, Prior Year Adustments) | | | 180,894.77 | 290,907,739.37 |
| **Difference** | | | **9,189.77** | **43,319,969.02** |
| **Minimum Payment** | | | **15,810.24** | **497,140.18** |
| **Final** | | | **25,000.00** | **43,817,109.20** |
| | | | | |
| **2005-2006 State Aid Payments** | | | | |
| Per Student | | | 277,329.50 | 288,757,549.15 |
| Transportation | | | 48,671.84 | 16,426,073.97 |
| Tuition Apportionment | | | 18,981.00 | 35,623,119.00 |
| Special Education | | | 11,977.48 | 18,022,027.80 |
| Teacher Compensation | | | 36,250.00 | 25,370,550.00 |
| Gross Entitlement | | | 393,209.82 | 384,199,319.92 |
| Deducts (other) | | | (129,211.21) | (58,391,214.70) |
| Deducts (transp) | | | - | (216,213.81) |
| Prior Year Adjustments | | | 288.53 | (1,937,819.94) |
| Line 8 Adjustments | | | - | (221,923.15) |
| Summer/ESY/Migrant | | | 1,818.00 | 4,073,280.50 |
| Education Association | | | 403.90 | 750,000.00 |
| Home School Supervised | | | - | 226,412.12 |
| Tuition Reimbursement | | | - | 1,144,735.40 |
| Supplemental Revenue | | | - | 2,500,000.00 |
| English Language Learner | | | - | 318,488.65 |
| Total Entitlement | | | 266,509.04 | 332,445,064.99 |
| Sped to Unit | | | (11,977.48) | 558,552.39 |
| PI3940 Foundation Aid Payment Report Ln 14 L | | | 254,531.56 | 333,003,617.38 |

## Imputed Taxable Value

**What does imputing an equivalent taxable value on any revenue source really mean??**

**Mineral resource revenue, a portion of which flows through the county to school districts, is considered an "in lieu of property tax" revenue. So we have to ask the question, 'How much equivalent taxable value would it take to raise the same amount of revenue?' This theoretical taxable value is what we refer to as 'imputed taxable value'.**

**Here is an example: (an actual ND school district-Williston)**

**Regular taxable value of a school district = $20,186,097.**

**Mineral resource revenue 'in lieu' of property taxes = $771,535.**

**Current general fund mill levy = 238.41**

**So, how much theoretical taxable value would be required to raise $771,535? ? ? Since revenue generated against taxable value is calculated with the following formula, the imputed taxable value needed to generate $771,535. would be:**

**Imputed Taxable Value x mill rate = Tax Revenue**

**Therefore: Tax Revenue divided by mill rate = Imputed Value**

**$771,535. divided by .23841 = $3,236,169 imputed value**

**This means that the total taxable value, actual and theoretical, of this School district would be $23,422,266.00.**

**This has nothing to do with the flow of the mineral resource revenue to a school district. Every dime of the $771,535. will flow directly to the school district as it always has. The imputed taxable value only affects the valuation per student in determining the overall wealth of the school district.**

Rep Hanson

**Amendment to SB 2200**

Page 5, Line 25, after "services." Insert:

n. .1 the number of students enrolled in average daily membership in any high school district containing more than 800 square miles and fewer than 800 students.

Senator Taylor
1/30/07

K12 districts greater than 800 square miles

| School | Square Miles | Students |
|---|---|---|
| Mohall/Lansford/Sherwood 38001 | 848 | 360 |
| Rugby 35005 | 805 | 554 |
| Killdeer 13016 | 856 | 401 |
| Divide County 12001 | 858 | 284 |
| Hettinger 1013 | 861 | 345 |
| Mott/Regent 21001 | 880 | 272 |
| Lewis & Clark 51161 | 878 | 392 |
| TGU 25060 | 1,043 | 380 |
| McKenzie County 27001 | 1,450 | 579 |

Sen. Taylor 1/30/07

**Bakke, JoNell A.**

**From:** Schmaltz, Addy M.
**Sent:** Thursday, January 25, 2007 10:18 AM
**To:** Bakke, JoNell A.
**Subject:** Student Contracts

Senator Bakke,

I hope the following information is useful. Please feel free to call me if you have any questions.

Payments for student contracts: (approximate numbers)

4.5 times $17,500,000
4.0 times $18,500,000
3.5 times $20,206,000
3.0 times $22,405,000

Addy Schmaltz
Department of Public Instruction

***Addy Schmaltz, Assistant Director***
Office of Human Resources
Dept of Public Instruction
600 E Blvd Ave
Bismarck ND 58505-0440
Aschmaltz@nd.gov
Phone (701) 328-3298
Fax (701) 328-2461



Sen Bakke 1/31/07
2200

**TESTIMONY ON SB 2200**
**SENATE EDUCATION COMMITTEE**
**January 16, 2007**
**by Dr. Wayne Sanstead, State Superintendent**
**(701) 328-4570**
**Department of Public Instruction**

Mr. Chairman, members of the committee, for the record, my name is Dr. Wayne Sanstead, State Superintendent of Public Instruction.

My purpose here today is to lend the formal support of the State's Superintendent Office and the Department of Public Instruction, to Senate Bill 2200, which is the new funding formula proposal developed by the Governor's Commission on Educational Improvement.

The major reworking of North Dakotas' K-12 funding system represented by Senate Bill 2200 is long overdue. The Department of Public Instruction has been party to two education funding law suits beginning as far back as 1990, regarding serious problems with the states' 1950's school funding formula. The funding formula that we had in the early 90's when the first law suit was filed was a first generation foundation aid program. In spite of two lawsuits, the funding formula we have today for our K-12 schools is still fundamentally that same first generation funding plan.

Through out both lawsuits and throughout the alternate resolution process represented by the Governor's Commission on Education Improvement, the department's firm and clear position has been that major changes are needed in the foundation aid formula. At every opportunity throughout that period, members of my staff and I have supported major changes in the formula. Current school funding lawsuit depositions by our staff noted the same issues and recommended the same changes as cited by the majority of the Supreme Court in the 1990's

lawsuit. In fact, my day long deposition session taken before four attorney's representing the plaintiff districts and the state in August 2005, covers some 156 pages of testimony. Further, Thomas Decker's, Director of School Finance & Organization, had a two day deposition that covers some 372 pages of testimony.

The issues of most consequence in those depositions had to do with great disparity in valuation per student at the local level, large disparities in tax effort for support of schools at the local level and significant pools of money being outside of the formula. Those issues, primarily, along with a series of less consequential issues, have pointed to the need of upgrading our state aid formula since the first lawsuit was filed in the early 90's.

While the majority of the Supreme Court's five Justices agreed that the formula was constitutionally flawed, in our state, it requires four to five Justices to declare laws unconstitutional. Therefore, the state aid formula was held to be constitutional although heavily flawed. The current lawsuit cited many of the same issues as the basis for new legal action.

North Dakota is among 27 to 30 states which have faced suits over educational funding equity and educational adequacy issues. Over the last 10 – 15 years, settlements of these lawsuits across the country have focused on achieving equity not as an end product, but as a starting point for an effort to determine what educational adequacy in a state is and to secure funding for what has been determined to be an adequate education.

These lawsuits, in most states, have been severely divisive and costly undertakings which produced results but left a good deal of hostility and unresolved issues. The fact that the parties to our current lawsuit were able to agree on a consensus resolution process is remarkable to say the least. It is essentially a one of a kind effort in the nation to settle this kind of school funding issue. It is a great tribute to the leadership of the plaintiff schools and to our

Attorney General and Governor's office that we were able to find an avenue for resolution that resulted in a consensus between the parties. Today, their work is before you in the form of Senate Bill 2200.

I want to thank my fellow commission members and particularly Lt. Gov. Jack Dalrymple for their efforts and leadership in working through a very difficult series of issues to reach a finely balanced compromise over what are arguably some of the most difficult issues any state faces. As a member of the Commission, I want to reiterate that we fully support Senate Bill 2200.

I strongly recommend that the Legislature consider adoption of the bill as proposed with no more than minor fine tuning. I make that recommendation because after months of work by some of the best minds in North Dakota on these issues, the result is a compromise that best represents everyone's interests and in fact, represents a good starting point for moving on to the business of defining education adequacy.

Because making major changes in the formula has been delayed for so long, what you will hear today are concerns expressed by a variety of interests regarding proposed changes to the formula. The commission's proposals represented in this bill are, I think, an excellent starting place for further adjustments in the formula over the years ahead in order to fine tune it and make it a really excellent funding formula.

It should not surprise members of this legislative committee that many people will be somewhat unhappy with some aspect of the bill. In fact, I suggest that the fact that nearly every group is unhappy with some part of the bill reflects the fact that it is a compromise on many issues and has to be viewed as a package which meets the major challenges in updating our funding formula. On that basis, I think the most important part of the discussions that will begin today about the future of this bill, have to do with providing good and clear information about what

Senate Bill 2200 really does. We also need to clarify what the next steps proposed by the Commission will be as this work continues into the next biennium. Any major changes to this package could upset the finely honed balance of interests that were required to reach agreement on the package which is now before you. I believe this is clearly one of those cases where the best solution may well be the one in which key players have the greatest professional investment and the highest level of ownership. I ask that you support Senate Bill 2200 and the recommendations of the Governor's Commission.

## Sampling of Small School District Outcomes

** based on 2005-2006 payment year*

| School District | Year 1 | Year 2 | Equity Payment |
|---|---|---|---|
| Powers Lake | 5.91% | 10.53% | 0 |
| Page | 7.00% | 13.50% | 0 |
| Munich | 7.00% | 13.50% | 0 |
| Sheyenne | 7.00% | 13.50% | 0 |
| Emerado | 7.00% | 13.50% | 0 |
| Drake | 7.00% | 13.50% | 0 |
| Yellowstone | 7.00% | 13.50% | 0 |
| Hebron | 7.00% | 12.16% | 0 |
| Valley | 7.00% | 13.50% | 0 |
| McClusky | 7.00% | 13.50% | 0 |
| Rolette | 7.00% | 12.74% | 0 |
| Solen | 8.94% | 13.81% | 171,224 |
| Montpelier | 7.00% | 13.50% | 0 |
| Fordville-Lankin | 7.00% | 13.50% | 0 |
| Edinburg | 14.03% | 18.43% | 41,732 |
| Nedrose | 7.00% | 13.50% | 0 |

Martin Schock

**NDLA, H EDU**

**From:** Sanstead, Wayne G.
**Sent:** Friday, January 19, 2007 2:26 PM

January 19, 2007

TO: P-16 Education Task Force
Governor's Commission on Education Improvement
Legislators
News Media
DPI Staff

FROM: Dr. Wayne G. Sanstead
State Superintendent

RE: "A CALL FOR EDUCATIONAL LEADERSHIP AND ACTION"

The Department is committed to continue the dialogue about educational issues and concerns and to work collaboratively with members of the P-16 Education Task Force and the Governor's Commission on Education Improvement in our combined efforts to insure ongoing progress towards our common goal of helping all students reach their full potential.

The attached brochure, "A CALL FOR EDUCATIONAL LEADERSHIP AND ACTION" is further evidence of our continuing commitment to education improvement. The document contains essential information for policy makers to consider as they deliberate in their legislative committees. It was released at our budget hearing before the Senate Appropriations Committee on January 18, 2007.

NORTH DAKOTA

DEPARTMENT OF PUBLIC INSTRUCTION

# A CALL FOR EDUCATIONAL LEADERSHIP AND ACTION

Dr. Wayne G. Sanstead, Superintendent

**ACADEMIC ACHIEVEMENT**
*Standards> proficiency>*

**GLOBAL ECONOMY**
*International competition*

**TRANSITIONS**
*Post-secondary expectations*

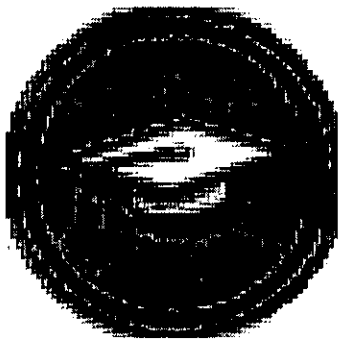
**ALIGNMENT**
*P-16 graduation requirements*

## ESSENTIAL INFORMATION ON NORTH DAKOTA EDUCATION FOR POLICY MAKERS

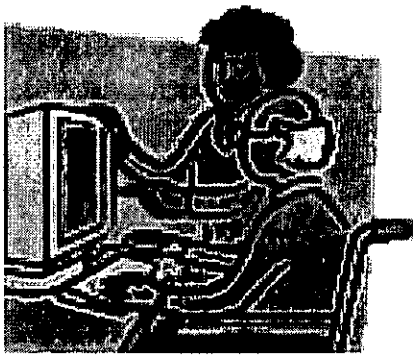
ND Dept of Public Instruction
600 E Boulevard Avenue Dept 201
Bismarck, ND 58505-0440

# INTRODUCTION

## EDUCATIONAL PARTNERSHIPS



Staff members of the ND Department of Public Instruction have partnered with members of the P-16 Education Task Force, and support the various principles developed by Task Force Members. The Task Force was initiated by the Joint Boards on Public Education in September of 2005 whose vision is "All ND students will be educated in an innovative, relevant, integrated and challenging system providing world-class quality to prepare them to be good citizens and to take full advantage of all opportunities available to them in their lives."



The Department of Public Instruction strongly supports the vision, mission and goals of the Task Force. Staff members are currently in the process of adopting specific P-16 recommendations relevant to DPI authority into our five year Strategic Plan. The premise of our Plan is in keeping with a major task force principle – "In order to compete throughout their lives, ND students require an education that is competitive on an international basis."

## DPI STRATEGIC PLANNING

The purpose and design of DPI's Plan is the result of agency-wide efforts to develop rigorous activities deemed necessary to realize improved outcomes for students. Demographic, economic, technological and political trends were assessed and linked to federal grant programs and state and federal mandates. Other state plans and national objectives for K-12 education were reviewed. Before plan adoption, directors involved their staff members in aligning agency goals with individual unit performance measurements.

Plan development is ongoing. DPI staff continues to develop timelines, desired outcomes and performance indicators. We are committed to achieving our vision for ND schools "All students achieve their maximum potential and become lifelong learners through school and community partnerships."

The Department of Public Instruction does not discriminate on the basis of race, color, national origin, sex, disability, or age in its programs and activities. John Dasovick, Assistant Director, Child Nutrition and Food Distribution, 600 E Boulevard Avenue, Department 201, Bismarck, ND 58505-0440, 701-328-2260, has been designated to handle inquiries regarding nondiscrimination.

## ND EDUCATION TODAY

(Excerpts from the P-16 Draft )

North Dakotans have always, justifiably, taken great pride in their education system. They have come to take for granted that the education provided in the State is of high quality, and some even suggest it is "second to none." North Dakota has the second highest rate of high school graduation in the country and has the highest percentage in the country of its high school graduates going on to post-secondary education. In a variety of state, regional and national assessments, North Dakota elementary students, in particular, are highly ranked.

Task Force members educated themselves about education issues and needs in North Dakota and spread the word to their respective constituencies. Current data shows that cracks appear in North Dakota's educational system and students are falling through them. North Dakota students do well through the 4th grade. Nationally, we have the highest-ranking "raw material" coming into our classrooms. But in the end, we do not have the best product. North Dakota is below the national average in what it currently requires schools to offer for high school graduation. We continue to maintain the status quo in achievement. Many ND students are ill prepared to go on to college or to enter the workforce after graduation from high school.

### WHERE WE SHINE ACADEMICALLY

*North Dakota students are number 1 in the nation, in the percentage of students who graduate from high school and go on to post-secondary education*

*The 2005 ACT scores show North Dakota's fourth and eighth grade students above the national average in reading, mathematics and science*

*North Dakota leads the nation in percentage of citizens with post-secondary degrees*

### WHAT WE MUST DO BETTER

*2005 ACT scores report North Dakota students have fallen below the national average in writing;*

*Approximately 28% of ND students in post-secondary education institutions need to take remediation classes in order to prepare them for college credit courses.*

*North Dakota students drop to 38th in the nation in the percentage of students who graduate from two and four-year post-secondary education institutions within 3 and 6 years respectively.*

*In 2006, only 23% of ND students were considered prepared for success in post-secondary education in all four ACT core areas tested – English, mathematics, reading and science*

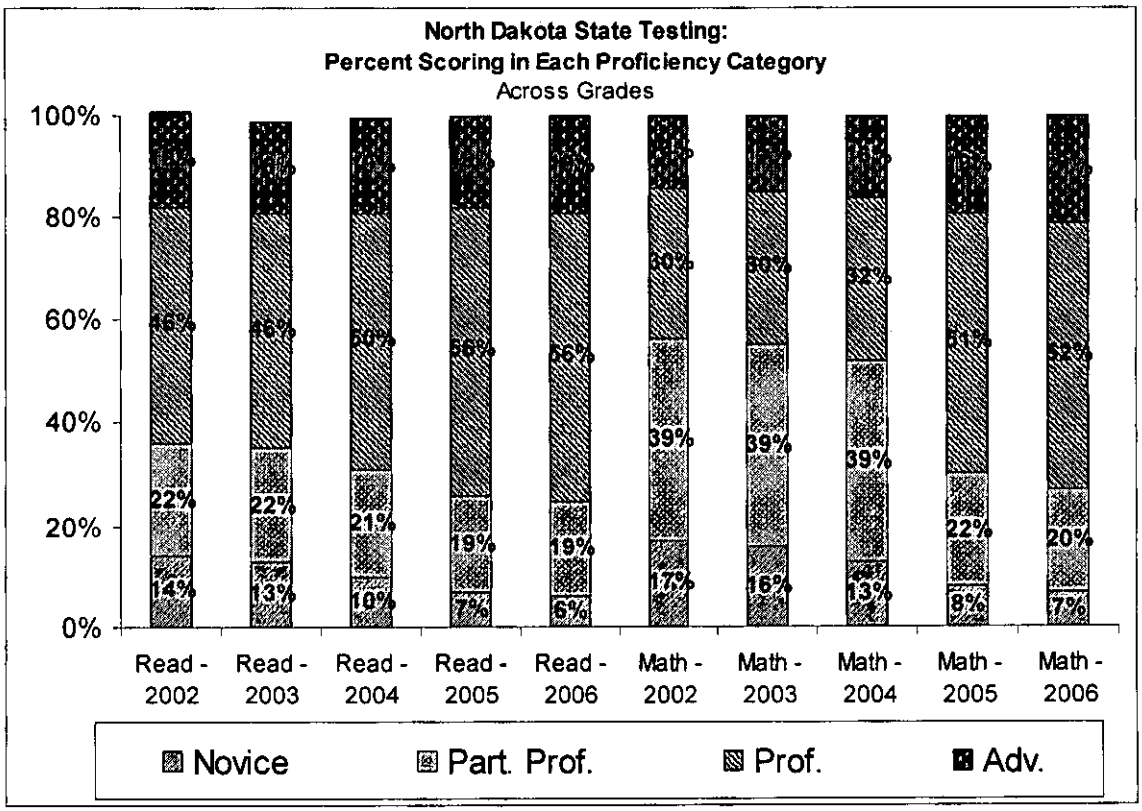
## WHERE DO WE GO FROM HERE?

Policy makers, community representatives, parents and school districts must work in partnership with the business community to strengthen academic skills that prepare students for employment now and into the future. Specifically, we must develop well-rounded students skilled not only in basic core areas, but who are also proficient in communications, teamwork, problem-solving and analysis.

*North Dakota students' ACT scores have remained essentially flat for the last 15 years. For example, ACT composite scores in 2001 were 21.4. Their ACT composite scores in 2006 are 21.4, while composite scores nationally increased by .2 in 2006 alone.*

*According to ACT, only 52% of ND high school graduates were considered ready for college-level reading in 2006*

**North Dakota State Testing Results**
**Results Across Grades 3-8, 11 (2005-2006)**
**and Grades 4, 8, 12 (2002-2004)**



# STUDENT WELL-BEING

Excerpts from Education Week
Quality Counts 2007

## SUCCESS INDICATORS

Education Week released its annual report on January 3, 2007. According to the national report, ND tied with Kansas and Illinois for 12th place in its "Chance for Success Index." The index identifies precursors of educational success and includes family incomes, degrees achieved by children and parents, English fluency, test scores, high school graduation rates and employment. The nine areas in which North Dakota ranked well include English fluency (97%); high school graduation rate (83.1%); 2 – 4 year college enrolled or degreed young adults (57.7%); degreed adults (43.4%). The report shows that the state lags in income at or above the national average (42.2%); and in preschool enrollment (26%).

## CURRENT STRENGTHS

Two parent families benefit from strong parental employment rates
Most children in ND live with 2 parents
ND students have a low drop out rate
ND ranks fifth in the nation for low birth weight
ND ranks sixth in the nation for low teen birth rate
ND students are less likely to watch daily TV, lack exercise, or be at risk of being overweight.

## IMPORTANT CHALLENGES

The number of children in ND has been declining
Increasing numbers of children live with single parents or grandparents
ND's youngest children and minority children are most likely to live in poverty
About 14% of ND children are poor but only 6.66% receive assistance.
In contrast to declining enrollment, the number of children in early childhood and special education programs is growing.
ND youth are more likely to binge drink, drive after drinking, and ride in a car with a driver who has been drinking.

## CREATE AN ENVIRONMENT FOR CHILDREN TO THRIVE AND EXCEL

Provide social support and economic opportunities to single parents, grandparents and child care workers

Make income eligibility guidelines less restrictive

Provide needed primary and preventive health and dental care to low income children

## BUILD CAPACITY TO OVERCOME BARRIERS

Develop community partnerships to address the range of problems

experienced by children weighed down by environmental factors such as language, housing, health and safety.

Achievement gaps open before children reach school age. Early childhood education can help mitigate the disparities in school readiness that exist between children with different socioeconomic backgrounds. The Department plans to build close partnerships with other agencies that directly affect student health and welfare needs so that minority students and the poor succeed, emotionally and socially. If all children are to succeed, it is imperative for them to become informed, participating citizens with the knowledge and skills necessary to gain a place in the global economy.

## PROMOTE HIGH STANDARDS AND ACCOUNTABILITY

Studies show that students are capable of achieving at much higher levels when challenged. Increasing student expectations while in high school will help prepare them as they go on to college and the workplace. The state needs to increase academic requirements - invest in foreign language – fund early education programs, strengthen math and science requirements, improve reading and language skills - rather than fund remediation programs in subsequent years.

The P-16 Education Task Force and the Governor's Commission on Education Improvement parallel the efforts of other states that are focusing on connections between all facets of education - early childhood education, teacher preparation, career counseling, postsecondary education and training, and workforce and economic development.

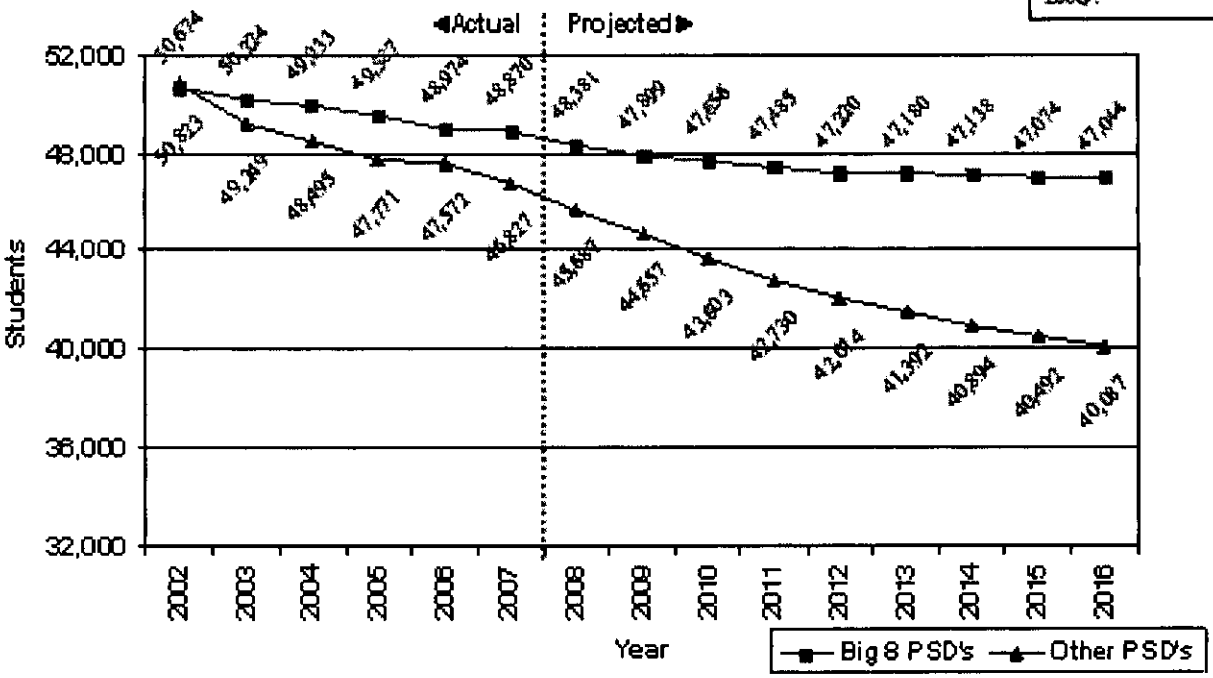
**PROFICIENCY**

America's workforce is competing for jobs with individuals from around the world. The global job market requires that young people attain higher levels of proficiency and educational attainment. An educated workforce with knowledge and skills is an economic reality if ND students are to participate in a technology- driven world in which companies are looking for talent and job positioning throughout the globe.

## ND Public K-12 Enrollment: Actual & Projected

NORTH DAKOTA DEPARTMENT OF PUBLIC INSTRUCTION
OFFICE OF SCHOOL FINANCE AND ORGANIZATION

*Big 8 PSD's: Fargo, Bismarck, Grand Forks, Minot, West Fargo, Mandan, Dickinson, and Jamestown Public School Districts as of 2009.*




### SUMMARY

The future growth of our State is tied inextricably to economic development. Economic development is dependent on a highly educated and skilled workforce, able to think critically, innovate, be technologically literate, and productive. Our students, to be successful, must be nurtured by family and supported by their community. They must learn to be good citizens in a global environment.

The ND Department of Public Instruction continues to collaborate with members of the P-16 Education Task Force and the Governor's Commission on Education Improvement to turn study recommendations into action. Together we face North Dakota's educational issues and concerns, respond to challenges, look for solutions, and speak with one voice to insure ongoing progress towards our common goal of helping all students reach their full potential. *For more information on the P-16 Education Task Force go to www.agree.org*
*For more information on the Governor's Commission on Education go to www.governor.nd.gov*

| 2006-2011 | NORTH DAKOTA DEPARTMENT OF PUBLIC INSTRUCTION<br>FIVE-YEAR STRATEGIC PLAN |
|---|---|

*Mission:*

"To ensure a uniform, statewide system for effective learning."

*Guiding Principles:*

→ Partner with schools to help all students reach their full potential.

→ Establish a culture of customer service that recognizes and values the opinions and needs of all of our stakeholders.

→ Provide operational excellence to support North Dakota's local education agencies and school districts.

→ Create enriching opportunities for parents and communities to participate as partners in the pursuit of educational excellence.

Vision:

"All students achieve their maximum potential and become lifelong learners through school and community partnerships."

Goals: Student Achievement - Accountability - Community Partnerships - Support

I. Align all elements of public education to help students achieve academic success.

II. Promote health and wellness initiatives that provide a safe and nurturing environment that encourages community involvement and embraces diversity.

III. Ensure a comprehensive system of accountability for results-based decision making.

IV. Build capacity to ensure a uniform educational system that meets or exceeds established standards.

Beliefs:

| | | | |
|---|---|---|---|
| All students must be ready to learn. | All students must be prepared for post-secondary education and/or work. | Schools must partner with and support parents and communities. | A high quality education system must be accountable to the public. |

Senate Bill 2200
Senate Amendments
February 6, 2007

| | Main Formula | Other Programs | Total Funding | |
|---|---|---|---|---|
| Foundation Aid | 478,605,280 | 5,448,479 | 484,053,759 | |
| Teacher Compensation | | 50,912,120 | 50,912,120 | |
| Tuition Apportionment | 71,600,000 | | 71,600,000 | |
| Supplemental Payments | 5,000,000 | | 5,000,000 | |
| Special Education ADM | 36,600,000 | | 36,600,000 | 52,500,000 |
| Sp Ed Gifted and Talented | | 400,000 | 400,000 | |
| Sp Ed Contracts | | 15,500,000 | 15,500,000 | |
| JPA Incentives | | 1,000,000 | 1,000,000 | |
| Vocational Education | | 10,517,216 | 10,517,216 | |
| Total State Funding 05-07 | 591,805,280 | 83,777,815 | 675,583,095 | |
| | | | | |
| New Funding Commitments | | | | |
| Foundation Aid | 49,600,000 | 500,000 | 50,100,000 | |
| Other Equity Adjustments | (21,000,000) | | (21,000,000) | 16,500,000 |
| Equity Payment | 37,500,000 | | 37,500,000 | |
| Special Education | 3,400,000 | 4,600,000 | 8,000,000 | |
| Full day kindergarten for at-risk students | 3,000,000 | | 3,000,000 | |
| JPA Incentives | | 1,000,000 | 1,000,000 | |
| Vocational Education | | 2,000,000 | 2,000,000 | |
| Total New Funding Commitments | 72,500,000 | 8,100,000 | 80,600,000 | |
| | | | | |
| Total Funding Available | 664,305,280 | 91,877,815 | 756,183,095 | |
| Transportation payments | | 33,500,000 | 33,500,000 | |
| | 664,305,280 | | 789,683,095 | |
| | | | | |
| Percent | 50% | 50% | | |
| District Projection Model | Year 1 | Year 2 | Biennium | |
| Net equity adjustments | 7,939,460 | 7,939,460 | 15,878,921 | |
| New formula funding | 20,810,540 | 35,810,540 | 56,621,079 | |
| Total New Funding Comittments | 28,750,000 | 43,750,000 | 72,500,000 | |
| Additional Year 2 Funding | | 15,000,000 | | |
| | | | | |
| 2nd Year Funding Increase | Total | At Risk Kg | Total less At Risk | |
| Added funding 2nd Year | 15,000,000 | (3,000,000) | 12,000,000 | |
| Year 1 Total Funding | 319,657,739 | (3,000,000) | 316,657,739 | |
| Pecent increase | 4.7% | | 3.8% | |

NOTE: The district projection model is based on actual formula distributions for the 2005-2006 school year plus the new funding.

| Main Formula Factors | Year 1 | Year 2 |
|---|---|---|
| Reduction factor for high valuation offset | 75.0% | 75.0% |
| Minimum Increase | 2.0% | 3.0% |
| Maximum Increase | 7.0% | 13.8% |
| Minimum Levy Deduct | 150 | 155 |
| Per Student Rate (to distribute funding) | 2,889.99 | 2,962.46 |
| Equity Formula | | |
| Guaranteed Tax Base | 90% | 90% |
| Minimum Valuation Test | 50% | 50% |
| Minimum Valuation Adjustment | 20% | 20% |
| Tuition and County Reduction | 50% | 50% |

**Grenora 99** **53099**

| Description | ADM | Weighting Factor | District Total | State Total |
|---|---|---|---|---|
| 1-12 ADM | 59.62 | 1.000 | 59.62 | 91,613.69 |
| KG ADM | 8.17 | 0.500 | 4.09 | 3,342.50 |
| PK Sp Ed ADM | - | 1.000 | - | 926.89 |
| Base ADM | | | 63.71 | 95,883.08 |
| | | | | |
| Alt High School (Add'l Factor) | - | 0.250 | - | 196.87 |
| Special Ed ADM (Scaled ADM) | 63.71 | 0.063 | 4.01 | 6,040.70 |
| PK Special Ed ADM | - | 0.170 | - | 157.59 |
| Summer School | 0.79 | 0.600 | 0.47 | 1,168.33 |
| ELL Students (1-2) | - | 0.230 | - | 102.58 |
| ELL Students (3-4) | - | - | - | - |
| Home-Based (Supervised) | - | 0.500 | - | 73.39 |
| Migrant Summer | - | 1.000 | - | 95.92 |
| Special Ed ESY | - | 1.000 | - | 62.26 |
| Cross Border Attendance | 6.00 | 0.200 | 1.20 | 28.45 |
| At Risk KG | 1.15 | - | - | - |
| Isolated ADM adjustment | - | 1.000 | - | 7.00 |
| Isolated Elem | 32.23 | 0.250 | 8.06 | 62.78 |
| Isolated HS | 21.39 | 0.250 | 5.35 | 5.35 |
| Weighted ADM | | | 82.80 | 103,884.30 |
| School Size Weighting Factor | | | 1.2500 | |
| Weighted Student Units | | | 103.50 | 109,248.98 |
| Per Student Payment | | | 2,889.99 | 2,889.99 |
| Total Formula Payment | | | 299,113.85 | 315,728,341.78 |
| Adjustments | | | | |
| EFB Offset | | | - | (657,381.49) |
| High Valuation Offset | | 75% | (259,340.14) | (7,598,118.56) |
| Minimum Levy Offset | | 150 | - | (688,244.19) |
| Equity Payment | | 90% | - | 17,490,926.17 |
| Net Formula Payment | | | 39,773.71 | 324,275,523.71 |
| Transition Adjustment Minimum | | 2.0% | 144,739.42 | 3,842,790.10 |
| Transition Adjustment Maximum | | 7.0% | - | (8,460,574.44) |
| State Aid Payment | | | 184,513.13 | 319,657,739.37 |
| | | | | |
| Total 2005-06 Entitlement (less Transp, State Resp/Excess Cost Reimb, Ed Assoc, Teacher Comp, Prior Year Adustments) | | | 180,894.77 | 290,907,739.37 |
| **Difference** | | | 3,618.36 | 28,750,000.00 |
| | | | 2.0% | |
| **2005-2006 State Aid Payments** | | | | |
| Per Student | | | 277,329.50 | 288,757,549.15 |
| Transportation | | | 48,671.84 | 16,426,073.97 |
| Tuition Apportionment | | | 18,981.00 | 35,623,119.00 |
| Special Education | | | 11,977.48 | 18,022,027.80 |
| Teacher Compensation | | | 36,250.00 | 25,370,550.00 |
| Gross Entitlement | | | 393,209.82 | 384,199,319.92 |
| Deducts (other) | | | (129,211.21) | (58,391,214.70) |
| Deducts (transp) | | | - | (216,213.81) |
| Prior Year Adjustments | | | 288.53 | (1,937,819.94) |
| Line 8 Adjustments | | | | (221,923.15) |
| Summer/ESY/Migrant | | | 1,818.00 | 4,073,280.50 |
| Education Association | | | 403.90 | 750,000.00 |
| Home School Supervised | | | - | 226,412.12 |
| Tuition Reimbursement | | | - | 1,144,735.40 |
| Supplemental Revenue | | | - | 2,500,000.00 |
| English Language Learner | | | - | 318,488.65 |
| Total Entitlement | | | 266,509.04 | 332,445,064.99 |
| Sped to Unit | | | (11,977.48) | 558,552.39 |
| PI3940 Foundation Aid Payment Report Ln 14 L | | | 254,531.56 | 333,003,617.38 |

# ND Govenor's Commission on Education Improvement
## District Example - Year 2

**Grenora 99** **53099**

| Description | ADM | Weighting Factor | District Total | State Total |
|---|---|---|---|---|
| 1-12 ADM | 59.62 | 1.000 | 59.62 | 91,613.69 |
| KG ADM | 8.17 | 0.500 | 4.09 | 3,342.50 |
| PK Sp Ed ADM | - | 1.000 | - | 926.89 |
| Base ADM | | | 63.71 | 95,883.08 |
| | | | | |
| Alt High School (Add'l Factor) | - | 0.250 | - | 196.87 |
| Special Ed ADM (Scaled ADM) | 63.71 | 0.063 | 4.01 | 6,040.70 |
| PK Special Ed ADM | - | 0.170 | - | 157.59 |
| Summer School | 0.79 | 0.600 | 0.47 | 1,168.33 |
| ELL Students (1-2) | - | 0.230 | - | 102.58 |
| ELL Students (3-4) | - | - | - | - |
| Home-Based (Supervised) | - | 0.500 | - | 73.39 |
| Migrant Summer | - | 1.000 | - | 95.92 |
| Special Ed ESY | - | 1.000 | - | 62.26 |
| Cross Border Attendance | 6.00 | 0.200 | 1.20 | 28.45 |
| At Risk KG | 3.33 | 0.500 | 1.67 | 994.64 |
| Isolated ADM adjustment | - | 1.000 | - | 7.00 |
| Isolated Elem | 32.23 | 0.250 | 8.06 | 62.78 |
| Isolated HS | 21.39 | 0.250 | 5.35 | 5.35 |
| Weighted ADM | | | 84.47 | 104,878.94 |
| School Size Weighting Factor | | | 1.2500 | |
| Weighted Student Units | | | 105.59 | 110,308.92 |
| Per Student Payment | | | 2,962.46 | 2,962.46 |
| Total Formula Payment | | | 312,805.79 | 326,785,388.11 |
| Adjustments | | | | |
| EFB Offset | | | - | (675,777.90) |
| High Valuation Offset | | 75% | (259,340.14) | (7,641,054.91) |
| Minimum Levy Offset | | 155 | - | (1,323,491.00) |
| Equity Payment | | 90% | - | 17,490,926.17 |
| Net Formula Payment | | | 53,465.65 | 334,635,990.47 |
| Transition Adjustment Minimum | | 3.0% | 136,618.88 | 3,883,380.18 |
| Transition Adjustment Maximum | | 13.8% | - | (3,794,522.10) |
| State Aid Payment | | | 190,084.53 | 334,724,848.55 |
| | | | | |
| Total 2005-06 Entitlement (less Transp, State Resp/Excess Cost Reimb, Ed Assoc, Teacher Comp, Prior Year Adustments) | | | 180,894.77 | 290,907,739.37 |
| Difference | | | 9,189.76 | 43,817,109.18 |
| | | | 5.1% | |
| **2005-2006 State Aid Payments** | | | | |
| Per Student | | | 277,329.50 | 288,757,549.15 |
| Transportation | | | 48,671.84 | 16,426,073.97 |
| Tuition Apportionment | | | 18,981.00 | 35,623,119.00 |
| Special Education | | | 11,977.48 | 18,022,027.80 |
| Teacher Compensation | | | 36,250.00 | 25,370,550.00 |
| Gross Entitlement | | | 393,209.82 | 384,199,319.92 |
| Deducts (other) | | | (129,211.21) | (58,391,214.70) |
| Deducts (transp) | | | - | (216,213.81) |
| Prior Year Adjustments | | | 288.53 | (1,937,819.94) |
| Line 8 Adjustments | | | - | (221,923.15) |
| Summer/ESY/Migrant | | | 1,818.00 | 4,073,280.50 |
| Education Association | | | 403.90 | 750,000.00 |
| Home School Supervised | | | - | 226,412.12 |
| Tuition Reimbursement | | | - | 1,144,735.40 |
| Supplemental Revenue | | | - | 2,500,000.00 |
| English Language Learner | | | - | 318,488.65 |
| Total Entitlement | | | 266,509.04 | 332,445,064.99 |
| Sped to Unit | | | (11,977.48) | 558,552.39 |
| PI3940 Foundation Aid Payment Report Ln 14 L | | | 254,531.56 | 333,003,617.38 |

## ND Govenor's Commission on Education Improvement
## Year 1 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 396.72 | 1,053,003 | 1,146,516 | - | - | - | - | - | (19,804) | 1,126,712 | 73,709 | 7.00% | 100,860 | 1,227,572 |
| 2002 | Valley City 2 | 1,244.53 | 3,487,901 | 3,596,678 | - | - | - | 654,738 | - | - | 4,251,416 | 763,516 | 21.89% | 258,920 | 4,510,336 |
| 2046 | Litchville-Marion 46 | 235.33 | 488,718 | 680,101 | - | (174,199) | (32,804) | - | 25,393 | - | 498,491 | 9,773 | 2.00% | 66,330 | 564,821 |
| 2065 | N Central 65 | 180.91 | 347,981 | 522,828 | - | (328,448) | - | - | 158,562 | - | 354,942 | 6,960 | 2.00% | 61,680 | 416,622 |
| 2082 | Wimbledon-Courtenay 82 | 197.24 | 390,207 | 570,021 | - | (254,068) | - | - | 82,057 | - | 398,010 | 7,803 | 2.00% | 52,100 | 450,110 |
| 3005 | Minnewaukan 5 | 217.85 | 655,050 | 629,584 | - | - | - | 188,312 | - | - | 817,896 | 162,846 | 24.86% | 59,620 | 877,516 |
| 3006 | Leeds 6 | 238.90 | 566,853 | 690,418 | - | - | - | - | - | (83,886) | 606,532 | 39,679 | 7.00% | 56,460 | 662,992 |
| 3008 | Maddock 9 | 260.09 | 656,765 | 751,657 | - | - | - | - | - | (48,920) | 702,737 | 45,972 | 7.00% | 52,400 | 755,137 |
| 3016 | Oberon 16 | 43.90 | 98,060 | 126,871 | - | (19,306) | (34,132) | - | 26,588 | - | 100,021 | 1,961 | 2.00% | 22,830 | 122,851 |
| 3029 | Warwick 29 | 246.10 | 758,029 | 711,226 | - | - | (962) | 168,788 | - | - | 879,052 | 121,024 | 15.97% | 66,900 | 945,952 |
| 3030 | Ft Totten 30 | 224.45 | 762,108 | 648,658 | - | - | - | 105,785 | 22,908 | - | 777,351 | 15,243 | 2.00% | 77,900 | 855,251 |
| 4001 | Billings Co 1 | 69.65 | - | 201,288 | (201,288) | - | - | - | - | - | 0 | 0 | 0.00% | 1,200 | 1,200 |
| 5001 | Bottineau 1 | 831.38 | 2,172,517 | 2,402,679 | - | - | - | - | - | (78,062) | 2,324,597 | 152,080 | 7.00% | 182,740 | 2,507,337 |
| 5017 | Westhope 17 | 172.20 | 390,536 | 497,656 | - | (68,491) | - | - | - | (11,291) | 417,873 | 27,337 | 7.00% | 50,430 | 468,303 |
| 5054 | Newburg-United 54 | 97.40 | 111,219 | 281,485 | - | (281,485) | - | - | 113,443 | - | 113,443 | 2,225 | 2.00% | 45,570 | 159,013 |
| 6001 | Bowman 1 | 436.29 | 1,158,102 | 1,260,873 | - | - | - | - | - | (21,705) | 1,239,168 | 81,067 | 7.00% | 99,370 | 1,338,538 |
| 6017 | Rhame 17 | 112.08 | 221,520 | 323,910 | - | (206,797) | (40,966) | - | 149,803 | - | 225,950 | 4,430 | 2.00% | 33,200 | 259,150 |
| 6033 | Scranton 33 | 211.91 | 500,022 | 612,418 | - | (68,303) | - | - | - | (9,093) | 535,022 | 35,000 | 7.00% | 53,280 | 588,302 |
| 7014 | Bowbells 14 | 108.39 | 221,168 | 313,246 | - | (148,930) | - | - | 61,276 | - | 225,592 | 4,424 | 2.00% | 37,080 | 262,672 |
| 7027 | Powers Lake 27 | 126.53 | 332,558 | 365,670 | - | - | - | - | - | (9,834) | 355,837 | 23,279 | 7.00% | 38,020 | 393,857 |
| 7036 | Burke Central 36 | 116.48 | 225,356 | 336,626 | - | (208,132) | (36,714) | - | 138,084 | - | 229,863 | 4,507 | 2.00% | 44,650 | 274,513 |
| 8001 | Bismarck 1 | 10,989.46 | 30,991,890 | 31,759,418 | - | - | - | 1,653,615 | - | - | 33,413,033 | 2,421,143 | 7.81% | 2,334,850 | 35,747,883 |
| 8025 | Naughton 25 | 5.31 | 32,920 | 15,346 | - | (15,346) | - | - | 33,578 | - | 33,578 | 658 | 2.00% | 3,600 | 37,178 |
| 8028 | Wing 28 | 99.85 | 267,453 | 288,565 | - | (24,656) | - | - | 8,893 | - | 272,802 | 5,349 | 2.00% | 34,200 | 307,002 |
| 8029 | Baldwin 29 | 25.91 | 62,718 | 74,880 | - | (27,129) | - | - | 16,222 | - | 63,973 | 1,254 | 2.00% | 6,600 | 70,573 |
| 8033 | Menoken 33 | 21.68 | - | 62,655 | (62,655) | - | - | - | - | - | 0 | 0 | 0.00% | 6,600 | 6,600 |
| 8035 | Sterling 35 | 44.33 | 74,402 | 128,113 | - | (128,113) | - | - | 75,890 | - | 75,890 | 1,488 | 2.00% | 13,600 | 89,490 |
| 8039 | Apple Creek 39 | 63.78 | 174,831 | 184,323 | - | (77,125) | - | - | 71,129 | - | 178,328 | 3,496 | 2.00% | 15,300 | 193,628 |
| 8045 | Manning 45 | 5.54 | 17,710 | 16,011 | - | (12,666) | - | - | 14,720 | - | 18,064 | 354 | 2.00% | 3,600 | 21,664 |
| 9001 | Fargo 1 | 11,603.81 | 29,510,439 | 33,534,882 | - | - | - | - | - | (1,958,689) | 31,576,194 | 2,065,755 | 7.00% | 2,439,100 | 34,015,294 |
| 9002 | Kindred 2 | 737.29 | 1,887,132 | 2,130,760 | - | - | - | - | - | (111,530) | 2,019,230 | 132,097 | 7.00% | 155,370 | 2,174,600 |
| 9004 | Maple Valley 4 | 343.49 | 743,368 | 992,682 | - | (227,883) | - | - | - | - | 764,799 | 21,432 | 2.88% | 101,770 | 866,569 |
| 9006 | West Fargo 6 | 5,772.38 | 15,161,058 | 16,682,114 | - | - | - | - | - | (459,801) | 16,222,313 | 1,061,256 | 7.00% | 1,153,310 | 17,375,623 |
| 9007 | Mapleton 7 | 105.90 | 284,303 | 306,050 | - | (97,540) | - | - | 81,480 | - | 289,989 | 5,686 | 2.00% | 33,540 | 323,529 |
| 9017 | Central Cass 17 | 898.90 | 2,347,761 | 2,597,811 | - | - | - | - | - | (85,702) | 2,512,109 | 164,348 | 7.00% | 184,960 | 2,697,069 |
| 9060 | Page 60 | 148.73 | 326,258 | 429,828 | - | (65,778) | - | - | - | (14,957) | 349,095 | 22,837 | 7.00% | 37,920 | 387,015 |
| 9097 | Northern Cass | 506.06 | 1,207,842 | 1,462,508 | - | - | - | - | - | (170,115) | 1,292,393 | 84,551 | 7.00% | 122,130 | 1,414,523 |
| 10014 | Border Central 14 | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 10019 | Munich 19 | 147.36 | 321,971 | 425,869 | - | (39,088) | - | - | - | (42,272) | 344,509 | 22,538 | 7.00% | 32,930 | 377,439 |
| 10023 | Langdon Area 23 | 524.26 | 1,212,484 | 1,515,106 | - | - | - | - | - | (217,750) | 1,297,356 | 84,872 | 7.00% | 130,980 | 1,428,336 |
| 11040 | Ellendale 40 | 386.68 | 998,389 | 1,123,281 | - | - | - | - | - | (55,003) | 1,068,278 | 69,889 | 7.00% | 106,220 | 1,174,498 |
| 11041 | Oakes 41 | 562.69 | 1,478,085 | 1,626,168 | - | - | - | 51,095 | - | (44,617) | 1,632,646 | 154,561 | 10.46% | 120,930 | 1,753,576 |

ND Govenor's Commission on Education Improvement
Year 1 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12001 | Divide County 1 | 343.67 | 854,753 | 993,202 | - | (87,658) | (22,673) | - | - | - | 882,872 | 28,119 | 3.29% | 80,310 | 963,182 |
| 13008 | Dodge 8 | 39.78 | 102,139 | 114,964 | - | - | - | - | - | (5,675) | 109,289 | 7,150 | 7.00% | 15,790 | 125,079 |
| 13016 | Killdeer 16 | 430.04 | 1,021,458 | 1,242,811 | - | - | - | - | - | (149,852) | 1,092,959 | 71,501 | 7.00% | 107,260 | 1,200,219 |
| 13019 | Halliday 19 | 38.43 | 56,912 | 111,062 | - | (111,062) | - | - | 58,050 | - | 58,050 | 1,138 | 2.00% | 19,170 | 77,220 |
| 13037 | Twin Buttes 37 | 57.49 | 179,767 | 166,145 | - | - | (3,570) | 27,644 | - | - | 190,220 | 10,453 | 5.81% | 660 | 190,880 |
| 14001 | New Rockford 1 | 425.21 | 1,139,033 | 1,228,852 | - | - | - | 99,055 | - | (10,089) | 1,317,818 | 178,785 | 15.70% | 78,800 | 1,396,618 |
| 14012 | Sheyenne 12 | 128.89 | 331,183 | 372,491 | - | - | - | - | - | (18,125) | 354,366 | 23,183 | 7.00% | 33,750 | 388,116 |
| 15005 | Hazelton-Moffit-Braddock 6 | 186.09 | 419,463 | 537,798 | - | (22,037) | - | - | - | (66,935) | 448,826 | 29,363 | 7.00% | 50,310 | 499,136 |
| 15010 | Bakker 10 | 5.26 | 8,477 | 15,201 | - | (15,201) | - | - | 8,647 | - | 8,647 | 170 | 2.00% | 1,000 | 9,647 |
| 15015 | Strasburg 15 | 243.48 | 628,630 | 703,655 | - | - | (30,615) | - | - | (404) | 672,635 | 44,005 | 7.00% | 48,420 | 721,055 |
| 15036 | Linton 36 | 392.38 | 1,015,286 | 1,133,974 | - | - | - | - | - | (47,617) | 1,086,357 | 71,071 | 7.00% | 88,290 | 1,174,647 |
| 16049 | Carrington 49 | 721.15 | 1,796,719 | 2,084,116 | - | - | - | - | - | (161,629) | 1,922,487 | 125,768 | 7.00% | 138,000 | 2,060,487 |
| 17003 | Beach 3 | 376.76 | 997,492 | 1,088,832 | - | - | (5,404) | - | - | (16,113) | 1,067,315 | 69,823 | 7.00% | 107,890 | 1,175,205 |
| 17006 | Lone Tree 6 | 70.84 | 160,504 | 204,727 | - | (67,612) | - | - | 26,598 | - | 163,714 | 3,210 | 2.00% | 17,820 | 181,534 |
| 18001 | Grand Forks 1 | 8,020.23 | 21,350,738 | 23,178,376 | - | - | - | - | - | (333,090) | 22,845,286 | 1,494,548 | 7.00% | 2,050,250 | 24,895,536 |
| 18044 | Larimore 44 | 553.36 | 1,566,383 | 1,599,204 | - | - | - | 185,252 | - | - | 1,784,457 | 218,073 | 13.92% | 138,200 | 1,922,657 |
| 18061 | Thompson 61 | 460.76 | 1,227,468 | 1,331,591 | - | - | - | 47,668 | - | (18,199) | 1,361,060 | 133,592 | 10.88% | 88,720 | 1,449,780 |
| 18125 | Manvel 125 | 214.15 | 596,918 | 618,891 | - | - | - | - | - | - | 618,891 | 21,973 | 3.68% | 48,420 | 667,311 |
| 18127 | Emerado 127 | 135.76 | 344,822 | 392,345 | - | - | - | - | - | (23,385) | 368,960 | 24,137 | 7.00% | 40,620 | 409,580 |
| 18128 | Midway 128 | 308.30 | 758,913 | 890,984 | - | - | - | - | - | (78,945) | 812,038 | 53,125 | 7.00% | 77,130 | 889,168 |
| 18129 | Northwood 129 | 366.63 | 971,682 | 1,059,557 | - | - | - | - | - | (19,856) | 1,039,701 | 68,019 | 7.00% | 77,500 | 1,117,201 |
| 18140 | Grand Forks AFB 1 | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 19018 | Roosevelt 18 | 201.20 | 529,879 | 581,466 | - | - | - | 47,520 | - | (14,496) | 614,490 | 84,611 | 15.97% | 35,790 | 650,280 |
| 19049 | Elgin-New Leipzig 49 | 225.69 | 567,685 | 652,242 | - | - | - | - | - | (44,819) | 607,423 | 39,737 | 7.00% | 58,000 | 665,423 |
| 20007 | Midkota 7 | 195.25 | 397,860 | 564,270 | - | (217,819) | - | - | 59,365 | - | 405,816 | 7,956 | 2.00% | 56,480 | 462,296 |
| 20018 | Griggs County Central 18 | 382.64 | 967,139 | 1,105,825 | - | - | - | - | - | (70,988) | 1,034,838 | 67,699 | 7.00% | 80,980 | 1,115,818 |
| 21001 | Mott-Regent 1 | 333.34 | 808,163 | 963,349 | - | - | (25,742) | - | - | (72,873) | 864,734 | 56,572 | 7.00% | 75,890 | 940,624 |
| 21009 | New England 9 | 247.81 | 572,210 | 716,168 | - | (17,225) | - | - | - | (86,678) | 612,265 | 40,055 | 7.00% | 59,320 | 671,585 |
| 22011 | Pettibone-Tuttle 11 | 14.73 | 9,064 | 42,570 | - | (42,570) | - | - | 9,245 | - | 9,245 | 181 | 2.00% | 9,330 | 18,575 |
| 22014 | Robinson 14 | 24.74 | 43,479 | 71,498 | - | (71,498) | - | - | 44,348 | - | 44,348 | 870 | 2.00% | 8,700 | 53,048 |
| 22020 | Tuttle-Pettibone 20 | 48.59 | 86,652 | 140,425 | - | (104,486) | - | - | 52,446 | - | 88,385 | 1,733 | 2.00% | 23,500 | 111,885 |
| 22026 | Steele-Dawson 26 | 337.76 | 874,858 | 976,123 | - | - | - | - | - | (40,023) | 936,099 | 61,241 | 7.00% | 85,500 | 1,021,599 |
| 22028 | Tappen 28 | 133.80 | 342,229 | 386,681 | - | - | - | - | - | (20,496) | 366,184 | 23,956 | 7.00% | 37,240 | 403,424 |
| 23003 | Edgeley 3 | *304.19 | 740,988 | 879,106 | - | - | - | - | - | (86,248) | 792,858 | 51,870 | 7.00% | 77,770 | 870,628 |
| 23007 | Kulm 7 | 174.10 | 326,656 | 503,147 | - | (287,748) | (17,105) | - | 134,896 | - | 333,190 | 6,534 | 2.00% | 48,280 | 381,470 |
| 23008 | LaMoure 8 | 371.61 | 994,290 | 1,073,949 | - | - | - | - | - | (10,058) | 1,063,891 | 69,601 | 7.00% | 97,800 | 1,161,691 |
| 23011 | Verona 11 | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 24002 | Napoleon 2 | 299.32 | 780,812 | 865,031 | - | - | - | - | - | (29,562) | 835,469 | 54,657 | 7.00% | 72,900 | 908,369 |
| 24056 | Gackle-Streeter 56 | 145.86 | 270,864 | 421,534 | - | (231,820) | (28,650) | - | 115,218 | - | 276,281 | 5,417 | 2.00% | 42,270 | 318,551 |
| 25001 | Velva 1 | 449.67 | 1,133,976 | 1,299,541 | - | - | (11,551) | - | - | (74,634) | 1,213,356 | 79,380 | 7.00% | 101,300 | 1,314,656 |
| 25014 | Anamoose 14 | 117.14 | 300,656 | 338,533 | - | - | - | - | - | (16,831) | 321,702 | 21,046 | 7.00% | 27,730 | 349,432 |
| 25057 | Drake 57 | 175.63 | 391,041 | 507,569 | - | (35,656) | - | - | - | (53,498) | 418,415 | 27,374 | 7.00% | 45,550 | 463,965 |

## ND Govenor's Commission on Education Improvement
## Year 1 Based on 2005-2006 Payment Year

| CoDist | Oname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25060 | TGU 60 | 416.48 | 1,045,666 | 1,203,623 | - | (196,715) | (83,200) | - | 142,870 | - | 1,066,578 | 20,912 | 2.00% | 115,890 | 1,182,468 |
| 26004 | Zeeland 4 | 86.51 | 171,100 | 250,013 | - | (166,356) | (12,738) | - | 103,604 | - | 174,522 | 3,422 | 2.00% | 32,700 | 207,222 |
| 26009 | Ashley 9 | 210.63 | 500,507 | 608,718 | - | - | - | - | - | (73,175) | 535,543 | 35,036 | 7.00% | 51,260 | 586,803 |
| 26019 | Wishek 19 | 307.70 | 783,024 | 889,250 | - | - | - | - | - | (51,415) | 837,834 | 54,810 | 7.00% | 63,420 | 901,254 |
| 27001 | McKenzie Co 1 | 612.85 | 1,549,640 | 1,771,130 | - | - | (50,948) | - | - | (62,066) | 1,658,115 | 108,475 | 7.00% | 151,630 | 1,809,745 |
| 27002 | Alexander 2 | 73.39 | 116,663 | 212,096 | - | (212,096) | - | - | 116,996 | - | 116,996 | 2,333 | 2.00% | 26,040 | 145,036 |
| 27014 | Yellowstone 14 | 106.24 | 271,240 | 307,032 | - | - | - | - | - | (16,805) | 290,227 | 18,987 | 7.00% | 21,210 | 311,437 |
| 27018 | Earl | 17.95 | - | 51,875 | (51,875) | - | - | - | - | - | (0) | (0) | 0.00% | 3,600 | 3,600 |
| 27019 | Bowline Butte | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 27032 | Horse Creek 32 | 7.98 | - | 23,062 | (23,062) | - | - | - | - | - | (0) | (0) | 0.00% | 1,180 | 1,180 |
| 27036 | Mandaree 36 | 240.36 | 791,808 | 694,638 | - | - | (10,879) | 114,418 | 9,468 | - | 807,645 | 15,837 | 2.00% | 85,900 | 893,545 |
| 28001 | Montefiore 1 | 264.07 | 749,045 | 763,159 | - | - | - | - | 867 | - | 764,026 | 14,981 | 2.00% | 56,200 | 820,226 |
| 28004 | Washburn 4 | 369.91 | 969,608 | 1,069,036 | - | - | (23,107) | - | - | (8,448) | 1,037,481 | 67,872 | 7.00% | 69,500 | 1,106,981 |
| 28008 | Underwood 8 | 283.95 | 687,843 | 820,612 | - | - | - | - | - | (84,620) | 735,992 | 48,149 | 7.00% | 70,450 | 806,442 |
| 28050 | Max 50 | 210.53 | 533,208 | 608,429 | - | - | (2,563) | - | - | (35,335) | 570,532 | 37,324 | 7.00% | 51,900 | 622,432 |
| 28051 | Garrison 51 | 391.59 | 990,439 | 1,131,691 | - | - | - | - | - | (71,923) | 1,059,767 | 69,329 | 7.00% | 90,510 | 1,150,277 |
| 28072 | Turtle Lake-Mercer 72 | 232.29 | 535,897 | 671,316 | - | (16,421) | - | - | - | (81,484) | 573,411 | 37,514 | 7.00% | 72,110 | 645,521 |
| 28085 | White Shield 85 | 151.76 | 477,096 | 438,585 | - | - | - | 72,983 | - | - | 511,568 | 34,472 | 7.23% | 56,150 | 567,718 |
| 29003 | Hazen 3 | 745.10 | 2,142,425 | 2,153,331 | - | - | - | 491,208 | - | - | 2,644,539 | 502,113 | 23.44% | 147,000 | 2,791,539 |
| 29020 | Golden Valley 20 | 56.85 | 131,321 | 164,296 | - | (45,640) | - | - | 15,291 | - | 133,947 | 2,627 | 2.00% | 22,860 | 156,807 |
| 29027 | Beulah 27 | 848.58 | 2,254,312 | 2,452,387 | - | - | - | 12,322 | - | (40,273) | 2,424,436 | 170,125 | 7.55% | 193,440 | 2,617,876 |
| 30001 | Mandan 1 | 3,352.65 | 9,408,245 | 9,689,121 | - | - | - | 1,124,407 | - | - | 10,813,529 | 1,405,283 | 14.94% | 713,410 | 11,526,939 |
| 30004 | Little Heart 4 | 30.85 | 72,179 | 89,156 | - | (30,439) | - | - | 14,905 | - | 73,622 | 1,444 | 2.00% | 9,900 | 83,522 |
| 30007 | New Salem 7 | 412.24 | 1,097,439 | 1,191,369 | - | - | - | 145,732 | - | (17,108) | 1,319,993 | 222,555 | 20.28% | 78,860 | 1,398,853 |
| 30008 | Sims 8 | 31.89 | 5,105 | 92,162 | (37,377) | (54,785) | - | - | 5,207 | - | 5,207 | 102 | 2.00% | 10,800 | 16,007 |
| 30013 | Hebron 13 | 204.40 | 523,255 | 590,714 | - | - | - | - | - | (30,832) | 559,882 | 36,627 | 7.00% | 53,620 | 613,502 |
| 30017 | Sweet Briar 17 | 13.29 | 17,083 | 38,408 | - | (12,620) | (15,534) | - | 7,171 | - | 17,425 | 342 | 2.00% | 3,000 | 20,425 |
| 30039 | Flasher 39 | 270.65 | 743,944 | 782,176 | - | - | - | 37,798 | - | - | 819,974 | 76,029 | 10.22% | 57,200 | 877,174 |
| 30048 | Glen Ullin 48 | 268.68 | 687,280 | 776,482 | - | - | - | - | - | (41,092) | 735,390 | 48,110 | 7.00% | 57,650 | 793,040 |
| 31001 | New Town 1 | 748.68 | 2,339,965 | 2,163,677 | - | - | - | 463,003 | - | - | 2,626,680 | 286,714 | 12.25% | 174,620 | 2,801,300 |
| 31002 | Stanley 2 | 385.14 | 1,002,347 | 1,113,050 | - | - | - | - | - | (40,540) | 1,072,510 | 70,163 | 7.00% | 101,110 | 1,173,620 |
| 31003 | Parshall 3 | 337.20 | 821,175 | 974,504 | - | - | - | 52,677 | - | (95,849) | 931,332 | 110,158 | 13.41% | 76,000 | 1,007,332 |
| 32001 | Dakota Prairie 1 | 374.53 | 822,476 | 1,082,388 | - | (122,799) | - | - | - | (79,540) | 880,049 | 57,573 | 7.00% | 93,500 | 973,549 |
| 32066 | Lakota 66 | 314.24 | 813,937 | 908,150 | - | - | - | - | - | (37,240) | 870,910 | 56,974 | 7.00% | 79,000 | 949,910 |
| 33001 | Center-Stanton 1 | 348.72 | 926,269 | 1,007,797 | - | - | - | - | - | (16,688) | 991,109 | 64,840 | 7.00% | 85,750 | 1,076,859 |
| 34006 | Cavalier 6 | 575.51 | 1,472,793 | 1,663,218 | - | - | - | 21,577 | - | (87,329) | 1,597,466 | 124,673 | 8.47% | 129,610 | 1,727,076 |
| 34012 | Valley 12 | 195.51 | 489,523 | 565,022 | - | - | - | - | - | (41,233) | 523,788 | 34,266 | 7.00% | 61,950 | 585,738 |
| 34019 | Drayton 19 | 204.89 | 421,598 | 592,130 | - | (188,228) | - | - | 26,128 | - | 430,030 | 8,432 | 2.00% | 61,630 | 491,660 |
| 34043 | St Thomas 43 | 146.03 | 337,243 | 422,025 | - | (5,356) | - | - | - | (55,819) | 360,850 | 23,607 | 7.00% | 36,430 | 397,280 |
| 34100 | North Border 100 | 655.52 | 1,524,552 | 1,894,446 | - | - | - | - | - | (263,178) | 1,631,268 | 106,716 | 7.00% | 159,130 | 1,790,398 |
| 35001 | Wolford 1 | 72.81 | 163,222 | 210,420 | - | (51,802) | - | - | 7,868 | - | 166,486 | 3,264 | 2.00% | 31,350 | 197,836 |
| 35005 | Rugby 5 | 588.32 | 1,471,957 | 1,700,238 | - | - | - | - | - | (125,242) | 1,574,996 | 103,040 | 7.00% | 148,130 | 1,723,126 |

## ND Govenor's Commission on Education Improvement
## Year 1 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 36001 | Devils Lake 1 | 1,946.90 | 5,735,490 | 5,626,519 | - | - | - | 1,935,562 | - | - | 7,562,081 | 1,826,591 | 31.85% | 479,100 | 8,041,181 |
| 36002 | Edmore 2 | 117.78 | 153,204 | 340,383 | - | (309,121) | (21,289) | - | 146,295 | - | 156,269 | 3,064 | 2.00% | 30,590 | 186,859 |
| 36044 | Starkweather 44 | 124.31 | 272,336 | 359,255 | - | (71,984) | - | - | - | - | 287,270 | 14,934 | 5.48% | 31,110 | 318,380 |
| 37002 | Sheldon 2 | 37.25 | 86,724 | 107,652 | - | (86,993) | - | - | 67,800 | - | 88,459 | 1,735 | 2.00% | 11,820 | 100,279 |
| 37006 | Ft Ransom 6 | 19.85 | 56,074 | 57,366 | - | (57,366) | - | - | 57,196 | - | 57,196 | 1,122 | 2.00% | 6,090 | 63,286 |
| 37019 | Lisbon 19 | 676.67 | 1,829,289 | 1,955,569 | - | - | - | 183,572 | - | - | 2,139,141 | 309,852 | 16.94% | 152,380 | 2,291,521 |
| 37022 | Enderlin 22 | 371.17 | 940,359 | 1,072,677 | - | - | - | - | - | (66,493) | 1,006,184 | 65,826 | 7.00% | 90,460 | 1,096,644 |
| 38001 | Mohall-Lansford-Sherwood 1 | 449.68 | 988,566 | 1,299,570 | - | (272,044) | - | - | - | - | 1,027,526 | 38,960 | 3.94% | 116,660 | 1,144,186 |
| 38028 | Glenburn 26 | 339.59 | 954,289 | 981,411 | - | - | (36,934) | - | 28,897 | - | 973,374 | 19,085 | 2.00% | 86,630 | 1,060,004 |
| 39005 | Mantador 5 | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 39008 | Hankinson 8 | 366.97 | 920,066 | 1,060,539 | - | - | - | - | - | (76,067) | 984,472 | 64,406 | 7.00% | 88,830 | 1,073,302 |
| 39018 | Fairmount 18 | 142.09 | 271,086 | 410,639 | - | (202,568) | - | - | 68,436 | - | 276,507 | 5,421 | 2.00% | 39,380 | 315,887 |
| 39028 | Lidgerwood 28 | 264.43 | 698,948 | 764,200 | - | - | - | - | - | (16,324) | 747,876 | 48,927 | 7.00% | 64,040 | 811,916 |
| 39037 | Wahpeton 37 | 1,485.23 | 4,053,025 | 4,292,298 | - | - | - | 282,086 | - | - | 4,574,384 | 521,359 | 12.86% | 337,450 | 4,911,834 |
| 39042 | Wyndmere 42 | 310.92 | 743,716 | 898,555 | - | - | - | - | - | (102,781) | 795,774 | 52,059 | 7.00% | 71,320 | 867,094 |
| 39044 | Richland 44 | 380.01 | 996,987 | 1,098,225 | - | - | - | - | - | (31,449) | 1,066,776 | 69,789 | 7.00% | 77,470 | 1,144,246 |
| 40001 | Dunseith 1 | 444.10 | 1,919,161 | 1,283,444 | - | - | - | 259,267 | 414,833 | - | 1,957,544 | 38,382 | 2.00% | 159,740 | 2,117,284 |
| 40003 | St John 3 | 357.30 | 1,117,834 | 1,032,593 | - | - | - | 187,561 | - | - | 1,220,154 | 102,321 | 9.15% | 88,050 | 1,308,204 |
| 40004 | Mt Pleasant 4 | 358.56 | 950,719 | 1,036,234 | - | - | - | - | - | (18,966) | 1,017,269 | 66,550 | 7.00% | 78,750 | 1,096,019 |
| 40007 | Belcourt 7 | 1,707.03 | 5,676,103 | 4,933,298 | - | - | (50,178) | 1,019,002 | - | - | 5,902,122 | 226,019 | 3.98% | 361,980 | 6,264,102 |
| 40029 | Rolette 29 | 239.09 | 630,592 | 690,967 | - | - | - | - | - | (16,233) | 674,734 | 44,143 | 7.00% | 55,910 | 730,644 |
| 41002 | Milnor 2 | 352.78 | 984,469 | 1,019,530 | - | - | - | 162,304 | - | - | 1,181,834 | 197,365 | 20.05% | 67,640 | 1,249,474 |
| 41003 | N Sargent 3 | 267.01 | 760,040 | 771,656 | - | - | - | 48,890 | - | - | 820,546 | 60,506 | 7.96% | 62,310 | 882,856 |
| 41006 | Sargent Central 6 | 355.15 | 805,720 | 1,026,380 | - | - | - | - | - | (164,257) | 862,122 | 56,402 | 7.00% | 84,690 | 946,812 |
| 42016 | Goodrich 16 | 60.20 | 118,727 | 173,977 | - | (68,490) | - | - | 15,615 | - | 121,102 | 2,375 | 2.00% | 22,500 | 143,602 |
| 42019 | McClusky 19 | 127.86 | 294,618 | 369,514 | - | (3,686) | - | - | - | (50,587) | 315,241 | 20,623 | 7.00% | 37,790 | 353,031 |
| 43003 | Solen 3 | 198.11 | 660,279 | 572,536 | - | - | - | 158,251 | - | - | 730,787 | 70,508 | 10.68% | 61,000 | 791,787 |
| 43004 | Ft Yates 4 | 206.93 | 964,871 | 598,025 | - | - | - | 95,094 | 291,049 | - | 984,169 | 19,297 | 2.00% | 76,400 | 1,060,569 |
| 43008 | Selfridge 8 | 126.88 | 83,901 | 366,682 | (159,354) | - | - | 18,195 | - | (117,554) | 107,969 | 24,068 | 28.69% | 32,000 | 139,969 |
| 44012 | Marmarth 12 | 21.21 | - | 61,297 | (44,035) | (17,262) | - | - | - | - | 0 | 0 | 0.00% | 6,160 | 6,160 |
| 44032 | Central Elementary 32 | 5.31 | - | 15,346 | (15,346) | - | - | - | - | - | (0) | (0) | 0.00% | 3,910 | 3,910 |
| 45001 | Dickinson 1 | 2,740.12 | 7,887,297 | 7,918,916 | - | - | - | 1,422,827 | - | - | 9,341,744 | 1,454,447 | 18.44% | 615,030 | 9,956,774 |
| 45009 | South Heart 9 | 312.08 | 875,991 | 901,908 | - | - | (921) | 45,664 | - | - | 946,651 | 70,660 | 8.07% | 62,180 | 1,008,831 |
| 45013 | Belfield 13 | 296.29 | 864,833 | 856,275 | - | - | - | 251,935 | - | - | 1,108,209 | 243,377 | 28.14% | 62,050 | 1,170,259 |
| 45034 | Richardton-Taylor 34 | 348.25 | 914,213 | 1,006,439 | - | - | - | - | - | (28,232) | 978,207 | 63,994 | 7.00% | 85,650 | 1,063,857 |
| 46010 | Hope 10 | 185.39 | 407,261 | 535,775 | - | - | - | - | - | (100,006) | 435,769 | 28,509 | 7.00% | 38,690 | 474,659 |
| 46019 | Finley-Sharon 19 | 239.95 | 578,742 | 693,453 | - | - | - | - | - | (74,198) | 619,255 | 40,513 | 7.00% | 57,920 | 677,175 |
| 47001 | Jamestown 1 | 2,549.04 | 7,131,817 | 7,366,697 | - | - | - | 1,105,922 | - | - | 8,472,620 | 1,340,803 | 18.80% | 586,730 | 9,059,350 |
| 47003 | Medina 3 | 208.94 | 503,886 | 603,834 | - | - | - | - | - | (64,674) | 539,160 | 35,272 | 7.00% | 52,040 | 591,200 |
| 47010 | Pingree-Buchanan | 205.91 | 512,955 | 595,078 | - | - | - | - | - | (46,216) | 548,862 | 35,906 | 7.00% | 47,680 | 596,542 |
| 47014 | Montpelier 14 | 139.51 | 335,653 | 403,182 | - | - | - | - | - | (44,034) | 359,148 | 23,495 | 7.00% | 44,550 | 403,698 |
| 47019 | Kensal 19 | 89.00 | 167,882 | 257,209 | - | (140,349) | - | - | 54,360 | - | 171,239 | 3,358 | 2.00% | 22,130 | 193,369 |

ND Govenor's Commission on Education Improvement
Year 1 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 47026 | Spiritwood 26 | 18.05 | - | 52,164 | (52,164) | - | - | - | - | - | (0) | (0) | 0.00% | - | (0) |
| 48002 | Bisbee-Egeland 2 | 106.91 | 190,684 | 308,969 | - | (204,981) | - | - | 90,510 | - | 194,497 | 3,814 | 2.00% | 34,940 | 229,437 |
| 48008 | Southern 8 | 295.73 | 766,400 | 854,656 | - | - | - | - | - | (34,609) | 820,047 | 53,647 | 7.00% | 64,560 | 884,607 |
| 48028 | North Central 28 | 85.49 | 204,947 | 247,065 | - | (107,051) | - | - | 69,032 | - | 209,046 | 4,099 | 2.00% | 33,900 | 242,946 |
| 49003 | Central Valley 3 | 351.69 | 844,392 | 1,016,380 | - | - | - | - | - | (112,879) | 903,501 | 59,109 | 7.00% | 65,690 | 969,191 |
| 49007 | Hatton 7 | 301.19 | 829,985 | 870,436 | - | - | - | - | - | - | 870,436 | 40,451 | 4.87% | 63,060 | 933,496 |
| 49009 | Hillsboro 9 | 452.76 | 1,139,547 | 1,308,471 | - | - | - | - | - | (89,156) | 1,219,315 | 79,768 | 7.00% | 102,440 | 1,321,755 |
| 49014 | May-Port CG 14 | 609.79 | 1,521,556 | 1,762,286 | - | - | - | - | - | (134,223) | 1,628,063 | 106,507 | 7.00% | 151,160 | 1,779,223 |
| 50003 | Grafton 3 | 1027.25 | 3,013,239 | 2,968,741 | - | - | - | 725,086 | - | - | 3,693,827 | 680,588 | 22.59% | 210,080 | 3,903,907 |
| 50005 | Fordville-Lankin 5 | 154.98 | 358,303 | 447,890 | - | - | - | - | - | (64,506) | 383,384 | 25,081 | 7.00% | 41,340 | 424,724 |
| 50020 | Minto 20 | 284.72 | 761,996 | 822,838 | - | - | - | - | - | (7,502) | 815,336 | 53,340 | 7.00% | 71,180 | 886,516 |
| 50051 | Nash 51 | 23.55 | 44,485 | 68,059 | - | (56,577) | - | - | 33,892 | - | 45,374 | 890 | 2.00% | 980 | 46,354 |
| 50078 | Park River 78 | 439.03 | 1,180,781 | 1,268,792 | - | - | - | 94,422 | - | (5,357) | 1,357,857 | 177,076 | 15.00% | 106,790 | 1,464,647 |
| 50106 | Edinburg 106 | 168.90 | 453,427 | 488,119 | - | - | - | 30,548 | - | (2,952) | 515,716 | 62,288 | 13.74% | 42,650 | 558,366 |
| 50128 | Adams 128 | 97.95 | 232,619 | 283,074 | - | (3,524) | - | - | - | (30,648) | 248,902 | 16,283 | 7.00% | 33,960 | 282,862 |
| 51001 | Minot 1 | 7,098.34 | 19,517,193 | 20,514,124 | - | - | - | 244,349 | - | - | 20,758,473 | 1,241,280 | 6.36% | 1,661,650 | 22,420,123 |
| 51004 | Nedrose 4 | 266.38 | 701,345 | 769,835 | - | - | - | - | - | (19,394) | 750,441 | 49,095 | 7.00% | 55,620 | 806,061 |
| 51007 | United 7 | 629.33 | 1,727,155 | 1,818,757 | - | - | - | 268,272 | - | - | 2,087,029 | 359,873 | 20.84% | 128,860 | 2,215,889 |
| 51010 | Bell 10 | 174.56 | 486,606 | 504,476 | - | - | - | - | - | - | 504,476 | 17,870 | 3.67% | 34,650 | 539,126 |
| 51016 | Sawyer 16 | 161.99 | 408,256 | 468,149 | - | - | - | - | - | (31,316) | 436,833 | 28,577 | 7.00% | 44,620 | 481,453 |
| 51019 | Eureka 19 | 11.96 | 6,819 | 34,564 | (10,226) | (24,339) | - | - | 6,955 | - | 6,955 | 136 | 2.00% | 5,880 | 12,835 |
| 51028 | Kenmare 28 | 345.20 | 847,890 | 997,624 | - | - | - | - | - | (90,381) | 907,243 | 59,353 | 7.00% | 80,320 | 987,563 |
| 51041 | Surrey 41 | 412.89 | 1,189,148 | 1,193,248 | - | - | - | 441,379 | - | - | 1,634,626 | 445,478 | 37.46% | 90,630 | 1,725,256 |
| 51070 | S Prairie 70 | 168.96 | 462,221 | 488,293 | - | - | - | - | - | - | 488,293 | 26,071 | 5.64% | 39,400 | 527,693 |
| 51160 | Minot AFB 160 | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 51161 | Lewis and Clark 161 | 498.62 | 1,144,518 | 1,441,006 | - | - | (89,065) | - | - | (127,307) | 1,224,634 | 80,115 | 7.00% | 117,700 | 1,342,334 |
| 52025 | Fessenden-Bowdon 25 | 245.13 | 477,433 | 708,423 | - | (339,578) | - | - | 118,136 | - | 486,981 | 9,548 | 2.00% | 61,470 | 548,451 |
| 52035 | Pleasant Valley 3 | 25.39 | 35,891 | 73,377 | - | (67,186) | - | - | 30,418 | - | 36,609 | 718 | 2.00% | 8,310 | 44,919 |
| 52038 | Harvey 38 | 497.80 | 1,250,148 | 1,438,636 | - | - | - | - | - | (100,976) | 1,337,661 | 87,513 | 7.00% | 140,820 | 1,478,481 |
| 53001 | Williston 1 | 2,292.23 | 7,126,844 | 6,624,519 | - | - | - | 2,539,167 | - | - | 9,163,687 | 2,036,842 | 28.58% | 530,950 | 9,694,637 |
| 53002 | Nesson 2 | 213.81 | 529,811 | 617,909 | - | - | - | - | - | (51,011) | 566,897 | 37,086 | 7.00% | 58,620 | 625,517 |
| 53006 | Eight Mile 6 | 282.88 | 865,608 | 817,520 | - | - | - | 205,971 | - | - | 1,023,491 | 157,883 | 18.24% | 75,960 | 1,099,451 |
| 53008 | New 8 | 233.14 | 481,744 | 673,772 | - | (276,775) | - | - | 94,382 | - | 491,379 | 9,635 | 2.00% | 66,340 | 557,719 |
| 53015 | Tioga 15 | 1310.30 | 760,445 | 896,764 | - | (14,205) | - | - | - | (68,882) | 813,677 | 53,232 | 7.00% | 74,990 | 888,667 |
| 53091 | Wildrose-Alamo 91 | 51.79 | 69,330 | 149,673 | - | (127,567) | - | - | 69,011 | - | 91,116 | 1,787 | 2.00% | 20,480 | 111,596 |
| 53099 | Grenora 99 | 103.50 | 180,895 | 299,114 | - | (259,340) | - | - | 144,739 | - | 184,513 | 3,618 | 2.00% | 36,250 | 220,763 |
| 99000 | Statewide | 109,248.98 | 290,907,739 | 315,728,342 | (657,381) | (7,598,119) | (688,244) | 17,490,926 | 3,842,790 | (8,460,574) | 319,657,739 | 28,750,000 | 9.88% | 25,370,550 | 345,028,289 |
| | Year 1 Counts <> 0 | | | | 10 | 66 | 25 | 44 | 54 | 100 | | | | | |

ND Govenor's Commission on Education Improvement
Year 2 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 400.22 | 1,053,003 | 1,185,634.38 | - | - | - | - | - | - | 1,185,634 | 132,631 | 12.60% | 100,860 | 1,286,494 |
| 2002 | Valley City 2 | 1,253.67 | 3,487,901 | 3,713,942.97 | - | - | - | 654,738 | - | - | 4,368,681 | 880,781 | 25.25% | 258,920 | 4,627,601 |
| 2046 | Litchville-Marion 46 | 237.71 | 488,718 | 704,205.56 | - | (174,199) | (61,990) | - | 40,452 | - | 508,469 | 19,751 | 4.04% | 66,330 | 574,799 |
| 2065 | N Central 65 | 183.55 | 347,981 | 543,758.91 | - | (326,448) | (16,170) | - | 162,511 | - | 363,652 | 15,671 | 4.50% | 61,680 | 425,332 |
| 2082 | Wimbledon-Courtenay 82 | 199.99 | 390,207 | 592,461.70 | - | (254,068) | - | - | 69,122 | - | 407,516 | 17,309 | 4.44% | 52,100 | 459,616 |
| 3005 | Minnewaukan 5 | 222.86 | 655,050 | 660,213.06 | - | - | - | 188,312 | - | - | 848,525 | 193,475 | 29.54% | 59,620 | 908,145 |
| 3006 | Leeds 6 | 240.79 | 566,853 | 713,329.92 | - | - | - | - | - | (63,149) | 650,181 | 83,328 | 14.70% | 56,460 | 706,641 |
| 3009 | Maddock 9 | 262.33 | 656,765 | 777,141.24 | - | - | - | - | - | (23,307) | 753,834 | 97,069 | 14.78% | 52,400 | 806,234 |
| 3016 | Oberon 16 | 47.98 | 98,060 | 142,138.67 | - | (19,306) | (39,107) | - | 26,663 | - | 110,389 | 12,329 | 12.57% | 22,830 | 133,219 |
| 3029 | Warwick 29 | 252.86 | 758,029 | 749,086.78 | - | - | (6,820) | 168,788 | - | - | 911,255 | 153,226 | 20.21% | 66,900 | 978,155 |
| 3030 | Ft Totten 30 | 224.45 | 762,108 | 664,923.38 | - | - | - | 105,786 | 14,264 | - | 784,972 | 22,864 | 3.00% | 77,900 | 862,872 |
| 4001 | Billings Co 1 | 70.56 | - | 209,030.94 | (209,031) | - | - | - | - | - | 0 | 0 | 0.00% | 1,200 | 1,200 |
| 5001 | Bottineau 1 | 836.12 | 2,172,517 | 2,476,969.21 | - | - | (32,072) | - | - | - | 2,444,897 | 272,380 | 12.54% | 182,740 | 2,627,637 |
| 5017 | Westhope 17 | 173.01 | 390,536 | 512,534.62 | - | (68,491) | - | - | - | - | 444,043 | 53,507 | 13.70% | 50,430 | 494,473 |
| 5054 | Newburg-United 54 | 98.33 | 111,219 | 291,298.36 | - | (291,298) | - | - | 115,649 | - | 115,649 | 4,431 | 3.98% | 45,570 | 161,219 |
| 6001 | Bowman 1 | 437.35 | 1,158,102 | 1,295,630.39 | - | - | - | - | - | - | 1,295,630 | 137,529 | 11.88% | 99,370 | 1,395,000 |
| 6017 | Rhame 17 | 112.65 | 221,520 | 333,720.74 | - | (206,797) | (53,022) | - | 155,424 | - | 229,325 | 7,805 | 3.52% | 33,200 | 262,525 |
| 6033 | Scranton 33 | 214.15 | 500,022 | 634,410.06 | - | (68,303) | - | - | - | - | 566,107 | 66,086 | 13.22% | 53,280 | 619,387 |
| 7014 | Bowbells 14 | 108.66 | 221,168 | 321,900.53 | - | (148,930) | - | - | 55,400 | - | 228,371 | 7,203 | 3.26% | 37,080 | 265,451 |
| 7027 | Powers Lake 27 | 128.14 | 332,558 | 379,609.19 | - | - | - | - | - | - | 379,609 | 47,051 | 14.15% | 38,020 | 417,629 |
| 7036 | Burke Central 36 | 117.50 | 225,356 | 348,088.65 | - | (208,132) | (53,839) | - | 148,032 | - | 234,149 | 8,793 | 3.90% | 44,650 | 278,799 |
| 8001 | Bismarck 1 | 11,060.22 | 30,991,890 | 32,765,421.74 | - | - | - | 1,653,615 | - | - | 34,419,037 | 3,427,147 | 11.06% | 2,334,850 | 36,753,887 |
| 8025 | Naughton 25 | 5.31 | 32,920 | 15,730.64 | - | (15,731) | - | - | 33,907 | - | 33,907 | 988 | 3.00% | 3,600 | 37,507 |
| 8028 | Wing 28 | 103.34 | 267,453 | 306,140.27 | - | (24,656) | (9,897) | - | 13,518 | - | 285,105 | 17,652 | 6.60% | 34,200 | 319,305 |
| 8029 | Baldwin 29 | 25.91 | 62,718 | 76,757.25 | - | (27,129) | - | - | 14,972 | - | 64,600 | 1,882 | 3.00% | 6,600 | 71,200 |
| 8033 | Menoken 33 | 21.68 | - | 64,226.06 | (64,226) | - | - | - | - | - | 0 | 0 | 0.00% | 6,600 | 6,600 |
| 8035 | Sterling 35 | 45.24 | 74,402 | 134,021.54 | - | (134,022) | - | - | 78,207 | - | 78,207 | 3,805 | 5.11% | 13,600 | 91,807 |
| 8039 | Apple Creek 39 | 63.78 | 174,831 | 188,945.48 | - | (77,125) | - | - | 68,256 | - | 180,076 | 5,245 | 3.00% | 15,300 | 195,376 |
| 8045 | Manning 45 | 5.54 | 17,710 | 16,412.01 | - | (12,666) | - | - | 14,495 | - | 18,241 | 531 | 3.00% | 3,600 | 21,841 |
| 9001 | Fargo 1 | 11,683.22 | 29,510,439 | 34,611,032.20 | - | - | - | - | - | (798,304) | 33,812,728 | 4,302,289 | 14.58% | 2,439,100 | 36,251,828 |
| 9002 | Kindred 2 | 740.45 | 1,887,132 | 2,193,550.99 | - | - | - | - | - | (36,792) | 2,156,759 | 269,627 | 14.29% | 155,370 | 2,312,129 |
| 9004 | Maple Valley 4 | 345.74 | 743,368 | 1,024,239.74 | - | (227,883) | - | - | - | - | 796,357 | 52,989 | 7.13% | 101,770 | 898,127 |
| 9006 | West Fargo 6 | 5,619.50 | 15,161,058 | 17,240,016.18 | - | - | - | - | - | - | 17,240,016 | 2,078,958 | 13.71% | 1,153,310 | 18,393,326 |
| 9007 | Mapleton 7 | 106.66 | 284,303 | 315,975.62 | - | (97,540) | - | - | 76,499 | - | 294,934 | 10,631 | 3.74% | 33,540 | 328,474 |
| 9017 | Central Cass 17 | 902.26 | 2,347,761 | 2,672,906.09 | - | - | - | - | - | - | 2,672,906 | 325,145 | 13.85% | 184,960 | 2,857,866 |
| 9080 | Page 80 | 149.94 | 326,258 | 444,190.74 | - | (65,776) | - | - | - | (4,114) | 374,301 | 48,043 | 14.73% | 37,920 | 412,221 |
| 9097 | Northern Cass | 510.58 | 1,207,842 | 1,512,571.09 | - | - | - | - | - | (125,768) | 1,386,803 | 178,961 | 14.82% | 122,130 | 1,508,933 |
| 10014 | Border Central 14 | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 10019 | Munich 19 | 147.90 | 321,971 | 438,147.33 | - | (39,088) | (14,468) | - | - | (16,846) | 367,746 | 45,775 | 14.22% | 32,930 | 400,676 |
| 10023 | Langdon Area 23 | 528.97 | 1,212,484 | 1,567,050.67 | - | - | - | - | - | (174,849) | 1,392,201 | 179,718 | 14.82% | 130,980 | 1,523,181 |
| 11040 | Ellendale 40 | 397.68 | 998,389 | 1,178,109.74 | - | - | - | - | - | (15,633) | 1,162,477 | 164,088 | 16.44% | 106,220 | 1,268,697 |
| 11041 | Oakes 41 | 566.13 | 1,478,085 | 1,677,135.56 | - | - | - | 51,095 | - | - | 1,728,231 | 250,145 | 16.92% | 120,930 | 1,849,161 |
| 12001 | Divide County 1 | 344.85 | 854,753 | 1,021,603.16 | - | (87,658) | (55,627) | - | 5,099 | - | 883,417 | 28,664 | 3.35% | 80,310 | 963,727 |

ND Govenor's Commission on Education Improvement
Year 2 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13008 | Dodge 8 | 40.60 | 102,139 | 120,275.74 | - | - | - | - | - | (1,645) | 118,630 | 16,491 | 16.15% | 15,790 | 134,420 |
| 13016 | Killdeer 16 | 432.66 | 1,021,458 | 1,281,736.47 | - | - | - | - | - | (112,237) | 1,169,500 | 148,042 | 14.49% | 107,260 | 1,276,760 |
| 13019 | Halliday 19 | 39.43 | 56,912 | 116,809.66 | - | (116,810) | - | - | 60,145 | - | 60,145 | 3,233 | 5.68% | 19,170 | 79,315 |
| 13037 | Twin Buttes 37 | 59.73 | 179,767 | 176,947.53 | - | - | (3,689) | 27,644 | - | - | 200,903 | 21,136 | 11.76% | 660 | 201,563 |
| 14001 | New Rockford 1 | 430.29 | 1,139,033 | 1,274,715.45 | - | - | - | 99,055 | - | - | 1,373,770 | 234,737 | 20.61% | 78,600 | 1,452,570 |
| 14012 | Sheyenne 12 | 131.36 | 331,183 | 389,148.30 | - | - | - | - | - | (5,040) | 384,109 | 52,926 | 15.98% | 33,750 | 417,859 |
| 15006 | Hazelton-Moffit-Braddock 6 | 187.84 | 419,463 | 556,487.85 | - | (22,037) | - | - | - | (52,592) | 481,839 | 62,376 | 14.87% | 50,310 | 532,149 |
| 15010 | Bakker 10 | 5.26 | 8,477 | 15,582.52 | - | (15,583) | - | - | 8,732 | - | 8,732 | 254 | 3.00% | 1,000 | 9,732 |
| 15015 | Strasburg 15 | 245.29 | 628,630 | 726,660.98 | - | - | (45,235) | - | - | - | 681,426 | 52,795 | 8.40% | 48,420 | 729,846 |
| 15036 | Linton 36 | 395.38 | 1,015,286 | 1,171,296.09 | - | - | - | - | - | (7,066) | 1,164,231 | 148,944 | 14.67% | 88,290 | 1,252,521 |
| 16049 | Carrington 49 | 725.68 | 1,796,719 | 2,149,795.51 | - | - | - | - | - | (92,288) | 2,057,507 | 260,788 | 14.51% | 138,000 | 2,195,507 |
| 17003 | Beach 3 | 380.46 | 997,492 | 1,127,096.24 | - | - | (25,418) | - | - | - | 1,101,678 | 104,187 | 10.44% | 107,890 | 1,209,568 |
| 17006 | Lone Tree 6 | 70.84 | 160,504 | 209,860.43 | - | (67,612) | - | - | 23,070 | - | 165,319 | 4,815 | 3.00% | 17,820 | 183,139 |
| 18001 | Grand Forks 1 | 8,108.77 | 21,350,738 | 24,021,879.21 | - | - | - | - | - | - | 24,021,879 | 2,671,141 | 12.51% | 2,050,250 | 26,072,129 |
| 18044 | Larimore 44 | 559.10 | 1,566,383 | 1,656,309.49 | - | - | - | 185,252 | - | - | 1,841,562 | 275,179 | 17.57% | 138,200 | 1,979,762 |
| 18061 | Thompson 61 | 461.92 | 1,227,468 | 1,368,417.95 | - | - | - | 47,668 | - | - | 1,416,086 | 188,618 | 15.37% | 88,720 | 1,504,806 |
| 18125 | Manvel 125 | 218.44 | 596,918 | 647,119.02 | - | - | - | - | - | - | 647,119 | 50,201 | 8.41% | 48,420 | 695,539 |
| 18127 | Emerado 127 | 142.99 | 344,822 | 423,601.67 | - | - | - | - | - | (10,296) | 413,306 | 68,483 | 19.86% | 40,620 | 453,926 |
| 18128 | Midway 128 | 312.07 | 758,913 | 924,493.83 | - | - | - | - | - | (50,288) | 874,205 | 115,292 | 15.19% | 77,130 | 951,335 |
| 18129 | Northwood 129 | 369.94 | 971,682 | 1,095,931.19 | - | - | - | - | - | - | 1,095,931 | 124,249 | 12.79% | 77,500 | 1,173,431 |
| 18140 | Grand Forks AFB 1 | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 19018 | Roosevelt 18 | 204.14 | 529,879 | 604,755.89 | - | - | - | 47,520 | - | - | 652,276 | 122,397 | 23.10% | 35,790 | 688,066 |
| 19049 | Elgin-New Leipzig 49 | 229.46 | 567,685 | 679,765.29 | - | - | - | - | - | (22,949) | 656,817 | 89,131 | 15.70% | 58,000 | 714,817 |
| 20007 | Midkota 7 | 197.29 | 397,860 | 584,463.06 | - | (217,819) | - | - | 47,433 | - | 414,076 | 16,216 | 4.08% | 56,480 | 470,556 |
| 20018 | Griggs County Central 18 | 387.14 | 967,139 | 1,146,885.45 | - | - | - | - | - | (33,339) | 1,113,546 | 148,408 | 15.14% | 80,980 | 1,194,526 |
| 21001 | Mott-Regent 1 | 336.91 | 808,163 | 998,081.25 | - | - | (58,660) | - | - | (9,882) | 929,539 | 121,376 | 15.02% | 75,890 | 1,005,429 |
| 21009 | New England 9 | 250.42 | 572,210 | 741,858.38 | - | (17,225) | - | - | - | (66,600) | 658,034 | 85,824 | 15.00% | 59,320 | 717,354 |
| 22011 | Pettibone-Tuttle 11 | 15.56 | 9,064 | 46,095.82 | - | (46,096) | - | - | 9,862 | - | 9,862 | 798 | 8.80% | 9,330 | 19,192 |
| 22014 | Robinson 14 | 25.14 | 43,479 | 74,476.16 | - | (74,476) | - | - | 45,507 | - | 45,507 | 2,028 | 4.67% | 8,700 | 54,207 |
| 22020 | Tuttle-Pettibone 20 | 48.59 | 86,652 | 143,945.77 | - | (104,486) | - | - | 49,792 | - | 89,252 | 2,600 | 3.00% | 23,500 | 112,752 |
| 22026 | Steele-Dawson 26 | 342.90 | 874,858 | 1,015,826.37 | - | - | - | - | - | (5,086) | 1,010,741 | 135,882 | 15.53% | 85,500 | 1,096,241 |
| 22028 | Tappen 28 | 135.30 | 342,229 | 400,820.38 | - | - | - | - | - | (6,998) | 393,822 | 51,593 | 15.08% | 37,240 | 431,062 |
| 23003 | Edgeley 3 | 307.74 | 740,988 | 911,666.39 | - | - | - | - | - | (58,580) | 853,086 | 112,098 | 15.13% | 77,770 | 930,856 |
| 23007 | Kulm 7 | 175.10 | 326,656 | 518,726.15 | - | (287,748) | (44,342) | - | 151,753 | - | 338,389 | 11,733 | 3.59% | 48,280 | 386,669 |
| 23008 | LaMoure 8 | 375.56 | 994,290 | 1,112,876.45 | - | - | - | - | - | - | 1,112,876 | 118,586 | 11.93% | 97,800 | 1,210,676 |
| 23011 | Verona 11 | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 24002 | Napoleon 2 | 304.07 | 780,812 | 900,794.18 | - | - | - | - | - | - | 900,794 | 119,982 | 15.37% | 72,900 | 973,694 |
| 24056 | Gackle-Streeter 56 | 147.05 | 270,864 | 435,629.24 | - | (231,820) | (51,139) | - | 128,596 | - | 281,266 | 10,402 | 3.84% | 42,270 | 323,536 |
| 25001 | Velva 1 | 453.23 | 1,133,976 | 1,342,674.20 | - | - | (44,937) | - | - | - | 1,297,737 | 163,761 | 14.44% | 101,300 | 1,399,037 |
| 25014 | Anamoose 14 | 118.23 | 300,656 | 350,251.24 | - | - | - | - | - | (4,921) | 345,330 | 44,675 | 14.86% | 27,730 | 373,060 |
| 25057 | Drake 57 | 177.65 | 391,041 | 526,280.42 | - | (35,656) | - | - | - | (40,500) | 450,124 | 59,083 | 15.11% | 45,550 | 495,674 |
| 25060 | TGU 60 | 422.42 | 1,045,666 | 1,251,400.92 | - | (196,715) | (136,808) | - | 174,517 | - | 1,092,396 | 46,729 | 4.47% | 115,890 | 1,208,286 |
| 26004 | Zeeland 4 | 86.69 | 171,100 | 257,407.85 | - | (166,356) | (25,979) | - | 111,935 | - | 177,007 | 5,907 | 3.45% | 32,700 | 209,707 |

ND Govenor's Commission on Education Improvement
Year 2 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 26009 | Ashley 9 | 212.54 | 500,507 | 629,640.53 | - | - | - | - | - | (54,898) | 574,742 | 74,236 | 14.83% | 51,260 | 626,002 |
| 26019 | Wishek 19 | 311.47 | 783,024 | 922,716.36 | - | - | - | - | - | (20,719) | 901,997 | 118,974 | 15.19% | 63,420 | 965,417 |
| 27001 | McKenzie Co 1 | 617.40 | 1,549,640 | 1,829,020.70 | - | - | (98,742) | - | - | - | 1,730,279 | 180,639 | 11.66% | 151,630 | 1,881,909 |
| 27002 | Alexander 2 | 74.31 | 116,663 | 220,140.15 | - | (220,140) | - | - | 121,669 | - | 121,669 | 5,006 | 4.29% | 26,040 | 147,709 |
| 27014 | Yellowstone 14 | 107.33 | 271,240 | 317,960.47 | - | - | - | - | - | (6,122) | 311,838 | 40,598 | 14.97% | 21,210 | 333,048 |
| 27018 | Earl | 17.95 | - | 53,176.10 | (53,176) | - | - | - | - | - | 0 | 0 | 0.00% | 3,600 | 3,600 |
| 27019 | Bowline Butte | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 27032 | Horse Creek 32 | 7.98 | - | 23,640.40 | (23,640) | - | - | - | - | - | (0) | (0) | 0.00% | 1,180 | 1,180 |
| 27036 | Mandaree 36 | 246.94 | 791,808 | 731,549.03 | - | - | (11,242) | 114,418 | 3,164 | - | 837,889 | 46,081 | 5.82% | 85,900 | 923,789 |
| 28001 | Montefiore 1 | 266.34 | 749,045 | 789,020.69 | - | - | - | - | - | - | 789,021 | 39,976 | 5.34% | 56,200 | 845,221 |
| 28004 | Washburn 4 | 371.89 | 969,608 | 1,101,707.99 | - | - | (45,410) | - | - | - | 1,056,298 | 86,689 | 8.94% | 69,500 | 1,125,798 |
| 28008 | Underwood 8 | 287.36 | 687,843 | 851,291.53 | - | - | - | - | - | (59,125) | 792,166 | 104,323 | 15.17% | 70,450 | 862,616 |
| 28050 | Max 50 | 212.59 | 533,208 | 629,788.65 | - | - | (16,492) | - | - | (569) | 612,727 | 79,519 | 14.91% | 51,900 | 664,627 |
| 28051 | Garrison 51 | 396.54 | 990,439 | 1,174,732.54 | - | - | - | - | - | (33,368) | 1,141,365 | 150,926 | 15.24% | 90,510 | 1,231,875 |
| 28072 | Turtle Lake-Mercer 72 | 234.46 | 535,897 | 694,577.57 | - | (16,421) | - | - | - | (62,607) | 615,549 | 79,652 | 14.86% | 72,110 | 687,659 |
| 28085 | White Shield 85 | 161.05 | 477,096 | 477,103.64 | - | - | - | 72,983 | - | - | 550,087 | 72,991 | 15.30% | 56,150 | 606,237 |
| 29003 | Hazen 3 | 747.60 | 2,142,425 | 2,214,732.55 | - | - | - | 491,208 | - | - | 2,705,940 | 563,515 | 26.30% | 147,000 | 2,852,940 |
| 29020 | Golden Valley 20 | 56.85 | 131,321 | 168,415.66 | - | (45,640) | (3,413) | - | 15,897 | - | 135,260 | 3,940 | 3.00% | 22,860 | 158,120 |
| 29027 | Beulah 27 | 852.04 | 2,254,312 | 2,524,131.52 | - | - | - | 12,322 | - | - | 2,536,454 | 282,142 | 12.52% | 193,440 | 2,729,894 |
| 30001 | Mandan 1 | 3,378.83 | 9,408,245 | 10,009,637.23 | - | - | - | 1,124,407 | - | - | 11,134,045 | 1,725,799 | 18.34% | 713,410 | 11,847,455 |
| 30004 | Little Heart 4 | 30.85 | 72,179 | 91,391.79 | - | (30,439) | - | - | 13,391 | - | 74,344 | 2,165 | 3.00% | 9,900 | 84,244 |
| 30007 | New Salem 7 | 416.15 | 1,097,439 | 1,232,826.31 | - | - | - | 145,732 | - | - | 1,378,558 | 281,119 | 25.62% | 78,860 | 1,457,418 |
| 30008 | Sims 8 | 31.89 | 5,105 | 94,472.74 | (37,377) | (57,096) | - | - | 5,258 | - | 5,258 | 153 | 3.00% | 10,800 | 16,058 |
| 30013 | Hebron 13 | 206.16 | 523,255 | 610,740.05 | - | - | - | - | - | (10,150) | 600,590 | 77,336 | 14.78% | 53,620 | 654,210 |
| 30017 | Sweet Briar 17 | 13.29 | 17,083 | 39,371.05 | - | (12,620) | (17,284) | - | 8,129 | - | 17,596 | 512 | 3.00% | 3,000 | 20,596 |
| 30039 | Flasher 39 | 274.95 | 743,944 | 814,527.44 | - | - | - | 37,798 | - | - | 852,326 | 108,381 | 14.57% | 57,200 | 909,526 |
| 30048 | Glen Ullin 48 | 272.09 | 687,280 | 806,054.82 | - | - | - | - | - | (14,003) | 792,052 | 104,772 | 15.24% | 57,650 | 849,702 |
| 31001 | New Town 1 | 768.65 | 2,339,965 | 2,277,092.27 | - | - | - | 463,003 | - | - | 2,740,095 | 400,130 | 17.10% | 174,620 | 2,914,715 |
| 31002 | Stanley 2 | 390.02 | 1,002,347 | 1,155,417.32 | - | - | - | - | - | (294) | 1,155,123 | 152,776 | 15.24% | 101,110 | 1,256,233 |
| 31003 | Parshall 3 | 343.67 | 821,175 | 1,018,107.46 | - | - | - | 52,677 | - | (65,682) | 1,005,103 | 183,928 | 22.40% | 76,000 | 1,081,103 |
| 32001 | Dakota Prairie 1 | 378.51 | 822,476 | 1,121,319.45 | - | (122,799) | - | - | - | (52,597) | 945,923 | 123,447 | 15.01% | 93,500 | 1,039,423 |
| 32066 | Lakota 66 | 316.35 | 813,937 | 937,173.15 | - | - | - | - | - | (4,696) | 932,478 | 118,541 | 14.56% | 79,000 | 1,011,478 |
| 33001 | Center-Stanton 1 | 351.44 | 926,269 | 1,041,125.75 | - | - | - | - | - | - | 1,041,126 | 114,857 | 12.40% | 85,750 | 1,126,876 |
| 34006 | Cavalier 6 | 579.65 | 1,472,793 | 1,717,187.97 | - | - | - | 21,577 | - | (29,092) | 1,709,673 | 236,880 | 16.08% | 129,610 | 1,839,283 |
| 34012 | Valley 12 | 197.15 | 489,523 | 584,048.32 | - | - | - | - | - | (22,300) | 561,749 | 72,226 | 14.75% | 61,950 | 623,699 |
| 34019 | Drayton 19 | 207.41 | 421,598 | 614,443.12 | - | (188,228) | - | - | 13,372 | - | 439,587 | 17,989 | 4.27% | 61,630 | 501,217 |
| 34043 | St Thomas 43 | 148.16 | 337,243 | 438,917.57 | - | (5,356) | - | - | - | (44,181) | 389,381 | 52,137 | 15.46% | 36,430 | 425,811 |
| 34100 | North Border 100 | 663.13 | 1,524,652 | 1,964,493.85 | - | - | - | - | - | (209,416) | 1,755,078 | 230,526 | 15.12% | 159,130 | 1,914,208 |
| 35001 | Wolford 1 | 72.81 | 163,222 | 215,698.47 | - | (51,802) | - | - | 4,224 | - | 168,118 | 4,897 | 3.00% | 31,350 | 199,468 |
| 35005 | Rugby 5 | 592.63 | 1,471,957 | 1,755,640.65 | - | - | - | - | - | (68,280) | 1,687,361 | 215,404 | 14.63% | 148,130 | 1,835,491 |
| 36001 | Devils Lake 1 | 1,972.88 | 5,735,490 | 5,844,571.38 | - | - | - | 1,935,562 | - | - | 7,780,133 | 2,044,643 | 35.65% | 479,100 | 8,259,233 |
| 36002 | Edmore 2 | 119.25 | 153,204 | 353,272.95 | - | (309,121) | (43,698) | - | 159,316 | - | 159,770 | 6,566 | 4.29% | 30,590 | 190,360 |
| 36044 | Starkweather 44 | 125.29 | 272,336 | 371,166.19 | - | (71,984) | (5,746) | - | - | - | 293,436 | 21,100 | 7.75% | 31,110 | 324,546 |

ND Govenor's Commission on Education Improvement
Year 2 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 37002 | Sheldon 2 | 37.98 | 86,724 | 112,514.10 | - | (86,993) | - | - | 65,556 | - | 91,077 | 4,352 | 5.02% | 11,820 | 102,897 |
| 37006 | Ft Ransom 6 | 19.85 | 56,074 | 58,804.76 | - | (58,805) | - | - | 57,756 | - | 57,756 | 1,682 | 3.00% | 6,090 | 63,846 |
| 37019 | Lisbon 19 | 681.02 | 1,829,289 | 2,017,492.19 | - | - | - | 183,572 | - | - | 2,201,064 | 371,775 | 20.32% | 152,380 | 2,353,444 |
| 37022 | Enderlin 22 | 374.13 | 940,359 | 1,108,343.89 | - | - | - | - | - | (29,681) | 1,078,663 | 138,304 | 14.71% | 90,460 | 1,169,123 |
| 38001 | Mohall-Lansford-Sherwood 1 | 455.15 | 988,566 | 1,348,362.12 | - | (272,044) | - | - | - | - | 1,076,318 | 87,752 | 8.88% | 116,660 | 1,192,978 |
| 38026 | Glenburn 26 | 341.85 | 954,289 | 1,012,715.79 | - | - | (54,065) | - | 30,808 | - | 989,459 | 35,169 | 3.69% | 86,630 | 1,076,089 |
| 39005 | Mentador 5 | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 39008 | Hankinson 8 | 371.92 | 920,066 | 1,101,796.86 | - | - | - | - | - | (40,637) | 1,061,160 | 141,094 | 15.34% | 88,830 | 1,149,990 |
| 39018 | Fairmount 18 | 244.08 | 271,086 | 426,830.75 | - | (202,568) | - | - | 58,865 | - | 283,128 | 12,042 | 4.44% | 39,380 | 322,508 |
| 39028 | Lidgerwood 28 | 266.74 | 698,948 | 790,205.67 | - | - | - | - | - | - | 790,206 | 91,257 | 13.06% | 64,040 | 854,246 |
| 39037 | Wahpeton 37 | 1,494.51 | 4,053,025 | 4,427,421.01 | - | - | - | 282,086 | - | - | 4,709,507 | 656,482 | 16.20% | 337,450 | 5,046,957 |
| 39042 | Wyndmere 42 | 313.14 | 743,716 | 927,663.86 | - | - | - | - | - | (75,274) | 852,390 | 108,674 | 14.61% | 71,320 | 923,710 |
| 39044 | Richland 44 | 383.35 | 996,987 | 1,135,657.74 | - | - | - | - | - | - | 1,135,658 | 138,671 | 13.91% | 77,470 | 1,213,128 |
| 40001 | Dunseith 1 | 454.68 | 1,919,161 | 1,346,969.77 | - | - | (4,772) | 259,267 | 422,363 | - | 2,023,828 | 104,666 | 5.45% | 159,740 | 2,183,568 |
| 40003 | St John 3 | 365.50 | 1,117,834 | 1,082,777.89 | - | - | (777) | 187,561 | - | - | 1,269,562 | 151,729 | 13.57% | 88,050 | 1,357,612 |
| 40004 | Mt Pleasant 4 | 363.27 | 950,719 | 1,076,171.61 | - | - | - | - | - | - | 1,076,172 | 125,453 | 13.20% | 78,750 | 1,154,922 |
| 40007 | Belcourt 7 | 1,744.50 | 5,676,103 | 5,168,005.54 | - | - | (51,851) | 1,019,002 | - | - | 6,135,157 | 459,054 | 8.09% | 361,980 | 6,497,137 |
| 40029 | Rolette 29 | 242.14 | 630,592 | 717,329.24 | - | - | - | - | - | - | 717,329 | 86,738 | 13.75% | 55,910 | 773,239 |
| 41002 | Milnor 2 | 354.87 | 984,469 | 1,051,286.97 | - | - | - | 162,304 | - | - | 1,213,591 | 229,122 | 23.27% | 67,640 | 1,281,231 |
| 41003 | N Sargent 3 | 268.91 | 760,040 | 796,634.20 | - | - | - | 48,890 | - | - | 845,524 | 85,485 | 11.25% | 62,310 | 907,834 |
| 41006 | Sargent Central 6 | 358.24 | 805,720 | 1,061,270.45 | - | - | - | - | - | (136,382) | 924,889 | 119,169 | 14.79% | 84,690 | 1,009,579 |
| 42016 | Goodrich 16 | 60.20 | 118,727 | 178,339.89 | - | (68,490) | - | - | 12,439 | - | 122,289 | 3,562 | 3.00% | 22,500 | 144,789 |
| 42019 | McClusky 19 | 129.14 | 294,618 | 382,571.65 | - | (3,686) | - | - | - | (40,254) | 338,631 | 44,013 | 14.94% | 37,790 | 376,421 |
| 43003 | Solen 3 | 203.24 | 660,279 | 602,089.68 | - | - | - | 158,251 | - | - | 760,341 | 100,062 | 15.15% | 61,000 | 821,341 |
| 43004 | Ft Yates 4 | 220.36 | 964,871 | 652,806.94 | - | - | - | 95,094 | 310,416 | - | 1,058,317 | 93,446 | 9.68% | 76,400 | 1,134,717 |
| 43008 | Selfridge 8 | 130.11 | 83,901 | 385,445.23 | (159,354) | - | - | 18,195 | - | (128,182) | 116,105 | 32,204 | 38.38% | 32,000 | 148,105 |
| 44012 | Marmarth 12 | 21.21 | - | 62,833.70 | (44,035) | (18,799) | - | - | - | - | (0) | (0) | 0.00% | 6,160 | 6,160 |
| 44032 | Central Elementary 32 | 5.31 | - | 15,730.64 | (15,731) | - | - | - | - | - | (0) | (0) | 0.00% | 3,910 | 3,910 |
| 45001 | Dickinson 1 | 2,765.96 | 7,887,297 | 8,194,036.46 | - | - | - | 1,422,827 | - | - | 9,616,864 | 1,729,567 | 21.93% | 615,030 | 10,231,894 |
| 45009 | South Heart 9 | 315.41 | 875,991 | 934,388.44 | - | - | (13,044) | 45,664 | - | - | 967,009 | 91,018 | 10.39% | 62,180 | 1,029,189 |
| 45013 | Belfield 13 | 299.67 | 864,833 | 887,759.37 | - | - | - | 251,935 | - | - | 1,139,694 | 274,861 | 31.78% | 62,050 | 1,201,744 |
| 45034 | Richardton-Taylor 34 | 352.86 | 914,213 | 1,045,332.44 | - | - | - | - | - | - | 1,045,332 | 131,120 | 14.34% | 85,650 | 1,130,982 |
| 46010 | Hope 10 | 185.39 | 407,261 | 549,209.83 | - | - | - | - | - | (85,747) | 463,463 | 56,202 | 13.80% | 38,890 | 502,353 |
| 46019 | Finley-Sharon 19 | 241.93 | 578,742 | 716,707.13 | - | - | - | - | - | (52,663) | 664,044 | 85,302 | 14.74% | 57,920 | 721,964 |
| 47001 | Jamestown 1 | 2,572.30 | 7,131,817 | 7,620,327.11 | - | - | - | 1,105,922 | - | - | 8,726,249 | 1,594,433 | 22.36% | 586,730 | 9,312,979 |
| 47003 | Medina 3 | 212.19 | 503,888 | 628,603.67 | - | - | - | - | - | (46,260) | 582,344 | 78,456 | 15.57% | 52,040 | 634,384 |
| 47010 | Pingree-Buchanan | 208.10 | 512,955 | 616,487.22 | - | - | - | - | - | (26,536) | 589,951 | 76,996 | 15.01% | 47,680 | 637,631 |
| 47014 | Montpelier 14 | 140.96 | 335,653 | 417,587.68 | - | - | - | - | - | (31,645) | 385,943 | 50,290 | 14.98% | 44,550 | 430,493 |
| 47019 | Kensal 19 | 89.53 | 167,882 | 265,228.74 | - | (140,349) | - | - | 49,068 | - | 173,948 | 6,066 | 3.61% | 22,130 | 196,078 |
| 47026 | Spiritwood 26 | 19.91 | - | 58,982.51 | (58,983) | - | - | - | - | - | (0) | (0) | 0.00% | - | (0) |
| 48002 | Bisbee-Egeland 2 | 107.36 | 190,684 | 318,049.34 | - | (204,981) | - | - | 84,163 | - | 197,231 | 6,547 | 3.43% | 34,940 | 232,171 |
| 48008 | Southern 8 | 298.74 | 766,400 | 885,004.28 | - | - | - | - | - | (3,965) | 881,039 | 114,639 | 14.96% | 64,560 | 945,599 |
| 48028 | North Central 28 | 87.11 | 204,947 | 258,059.59 | - | (107,051) | - | - | 64,087 | - | 215,095 | 10,148 | 4.95% | 33,900 | 248,995 |

ND Govenor's Commission on Education Improvement
Year 2 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 49003 | Central Valley 3 | 353.71 | 844,392 | 1,047,850.52 | - | - | (15,540) | - | - | (65,872) | 966,439 | 122,047 | 14.45% | 65,690 | 1,032,129 |
| 49007 | Hatton 7 | 304.18 | 829,985 | 901,120.05 | - | - | - | - | - | - | 901,120 | 71,135 | 8.57% | 63,060 | 964,180 |
| 49009 | Hillsboro 9 | 457.28 | 1,139,547 | 1,354,672.15 | - | - | - | - | - | (44,921) | 1,309,751 | 170,204 | 14.94% | 102,440 | 1,412,191 |
| 49014 | May-Port CG 14 | 614.65 | 1,521,556 | 1,820,873.95 | - | - | - | - | - | (75,545) | 1,745,329 | 223,773 | 14.71% | 151,160 | 1,896,489 |
| 50003 | Grafton 3 | 1,040.39 | 3,013,239 | 3,082,110.22 | - | - | - | 725,086 | - | - | 3,807,197 | 793,957 | 26.35% | 210,080 | 4,017,277 |
| 50005 | Fordville-Lankin 5 | 156.96 | 358,303 | 464,987.19 | - | - | - | - | - | (52,029) | 412,958 | 54,655 | 15.25% | 41,340 | 454,298 |
| 50020 | Minto 20 | 287.44 | 761,996 | 851,528.53 | - | - | - | - | - | - | 851,529 | 89,533 | 11.75% | 71,180 | 922,709 |
| 50051 | Nash 51 | 23.68 | 44,485 | 70,150.97 | - | (56,577) | - | - | 32,498 | - | 46,072 | 1,587 | 3.57% | 980 | 47,052 |
| 50078 | Park River 78 | 444.06 | 1,180,781 | 1,315,508.48 | - | - | - | 94,422 | - | - | 1,409,931 | 229,150 | 19.41% | 106,790 | 1,516,721 |
| 50106 | Edinburg 106 | 170.74 | 453,427 | 505,809.84 | - | - | - | 30,548 | - | - | 536,358 | 82,931 | 18.29% | 42,650 | 579,008 |
| 50128 | Adams 128 | 97.95 | 232,619 | 290,172.62 | - | (3,524) | - | - | - | (21,928) | 264,720 | 32,101 | 13.80% | 33,960 | 298,680 |
| 51001 | Minot 1 | 7,167.94 | 19,517,193 | 21,234,711.16 | - | - | - | 244,349 | - | - | 21,479,060 | 1,961,867 | 10.05% | 1,661,650 | 23,140,710 |
| 51004 | Nedrose 4 | 270.77 | 701,345 | 802,144.37 | - | - | - | - | - | - | 802,144 | 100,799 | 14.37% | 55,620 | 857,764 |
| 51007 | United 7 | 634.20 | 1,727,155 | 1,878,769.98 | - | - | - | 268,272 | - | - | 2,147,062 | 419,907 | 24.31% | 128,860 | 2,275,922 |
| 51010 | Bell 10 | 177.72 | 486,606 | 526,487.79 | - | - | - | - | - | - | 526,488 | 39,881 | 8.20% | 34,650 | 561,138 |
| 51016 | Sawyer 16 | 164.21 | 408,256 | 486,465.00 | - | - | - | - | - | (15,503) | 470,962 | 62,706 | 15.36% | 44,620 | 515,582 |
| 51019 | Eureka 19 | 11.96 | 6,819 | 35,430.98 | (10,226) | (25,205) | - | - | 7,023 | - | 7,023 | 205 | 3.00% | 5,880 | 12,903 |
| 51028 | Kenmare 28 | 350.26 | 847,890 | 1,037,630.05 | - | - | - | - | - | (58,587) | 979,043 | 131,153 | 15.47% | 80,320 | 1,059,363 |
| 51041 | Surrey 41 | 415.47 | 1,189,148 | 1,230,811.84 | - | - | - | 441,379 | - | - | 1,672,191 | 483,043 | 40.62% | 90,630 | 1,762,821 |
| 51070 | S Prairie 70 | 173.24 | 462,221 | 513,215.98 | - | - | - | - | - | - | 513,216 | 50,995 | 11.03% | 39,400 | 552,616 |
| 51160 | Minot AFB 160 | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 51161 | Lewis and Clark 161 | 502.97 | 1,144,518 | 1,490,026.80 | - | - | (133,598) | - | - | (42,605) | 1,313,824 | 169,305 | 14.79% | 117,700 | 1,431,524 |
| 52025 | Fessenden-Bowdon 25 | 247.21 | 477,433 | 732,348.90 | - | (339,578) | (28,800) | - | 131,957 | - | 495,928 | 18,495 | 3.87% | 61,470 | 557,398 |
| 52035 | Pleasant Valley 3 | 26.64 | 35,891 | 78,919.84 | - | (67,186) | - | - | 27,054 | - | 38,788 | 2,897 | 8.07% | 8,310 | 47,098 |
| 52038 | Harvey 38 | 501.47 | 1,250,148 | 1,485,583.11 | - | - | - | - | - | (52,424) | 1,433,159 | 183,012 | 14.64% | 140,820 | 1,573,979 |
| 53001 | Williston 1 | 2,310.79 | 7,126,844 | 6,845,615.09 | - | - | - | 2,539,167 | - | - | 9,384,782 | 2,257,938 | 31.68% | 530,950 | 9,915,732 |
| 53002 | Nesson 2 | 215.31 | 529,811 | 637,846.53 | - | - | - | - | - | (30,692) | 607,154 | 77,343 | 14.60% | 58,620 | 665,774 |
| 53006 | Eight Mile 6 | 286.65 | 865,608 | 849,188.18 | - | - | - | 205,971 | - | - | 1,055,159 | 189,551 | 21.90% | 75,960 | 1,131,119 |
| 53008 | New 8 | 237.91 | 481,744 | 704,798.05 | - | (276,775) | - | - | 78,326 | - | 506,349 | 24,605 | 5.11% | 66,340 | 572,689 |
| 53015 | Tioga 15 | 312.39 | 760,445 | 925,441.82 | - | (14,205) | - | - | - | (40,021) | 871,216 | 110,772 | 14.57% | 74,990 | 946,206 |
| 53091 | Wildrose-Alamo 91 | 51.79 | 89,330 | 153,425.63 | - | (127,567) | - | - | 66,151 | - | 92,009 | 2,680 | 3.00% | 20,480 | 112,489 |
| 53099 | Grenora 99 | 105.59 | 180,895 | 312,805.79 | - | (259,340) | - | - | 136,619 | - | 190,085 | 9,190 | 5.08% | 36,250 | 226,335 |
| 99000 | Year 2 Statewide | 110,308.92 | 290,907,739 | 326,785,388.13 | (675,776) | (7,641,055) | (1,323,491) | 17,490,926 | 3,883,380 | (3,794,522) | 334,724,849 | 43,817,109 | 13.71% | 25,370,550 | 360,095,399 |
| | Year 1 Statewide | 109,248.98 | 290,907,739 | 315,728,341.78 | (657,381) | (7,598,119) | (688,244) | 17,490,926 | 3,842,790 | (8,460,574) | 319,657,739 | 28,750,000 | 9.88% | 50,741,100 | |
| | Year 2 Counts <> 0 | | | | 10 | 66 | 35 | 44 | 54 | 67 | | | | | |

(3)

**TESTIMONY ON SB 2200**
**SENATE APPROPRIATIONS COMMITTEE**
**February 7, 2007**
**by Dr. Wayne Sanstead, State Superintendent**
**(701) 328-4570**
**Department of Public Instruction**

Mr. Chairman, members of the committee, for the record, my name is Dr. Wayne Sanstead, State Superintendent of Public Instruction.

My purpose here today is to lend the formal support of the State's Superintendent Office and the Department of Public Instruction, to Senate Bill 2200, as it was introduced, which is the new funding formula proposal developed by the Governor's Commission on Educational Improvement.

The major reworking of North Dakotas' K-12 funding system represented by Senate Bill 2200 is long overdue. In spite of two lawsuits, the funding formula we have today for our K-12 schools is still fundamentally a first generation funding plan.

North Dakota is among 27 to 30 states which have faced suits over educational funding equity and educational adequacy issues. Over the last 10 – 15 years, settlements of these lawsuits across the country have focused on achieving equity not as an end product, but as a starting point for an effort to determine what educational adequacy in a state is and to secure funding for what has been determined to be an adequate education.

These lawsuits, in most states, have been severely divisive and costly undertakings which produced results but left a good deal of hostility and unresolved issues. The fact that the parties to our current lawsuit were able to agree on a consensus resolution process is remarkable to say the least. It is essentially a one of a kind effort in the nation to settle this kind of school funding

issue. It is a great tribute to the leadership of the plaintiff schools and to our Attorney General and Governor's office that we were able to find an avenue for resolution that resulted in a consensus between the parties. Today, their work is before you in the form of Senate Bill 2200.

I want to thank my fellow commission members and particularly Lt. Gov. Jack Dalrymple for their efforts and leadership in working through a very difficult series of issues to reach a finely balanced compromise over what are arguably some of the most difficult issues any state faces. As a member of the Commission, I want to reiterate that we fully support Senate Bill 2200 as introduced. We understand that the version of SB 2200 before this committee represents only the first step in the approval process.

I strongly recommend that the Legislature, in the final analysis, consider adoption of the bill as proposed with no more than minor fine tuning. I make that recommendation because after months of work by some of the best minds in North Dakota on these issues, the result is a compromise that best represents everyone's interests and in fact, represents a good starting point for moving on to the business of defining education adequacy.

Because making major changes in the formula has been delayed for so long, what you will hear today are concerns expressed by a variety of interests regarding proposed changes to the formula. The commission's proposals represented in this bill are, I think, an excellent starting place for further adjustments in the formula over the years ahead in order to fine tune it and make it a really excellent funding formula.

| CODIST | DNAME | Dtype | Sp Ed Unit | 2005-06 SpEd ADM Distribution 188 | | SpEd Students Distribution | | Weighted Distribution 1.60 | 2.50 | 3.00 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 5.D Sped ADM | ADM Distribution | Dec 2005 Child Count* | Dec 2005 Child Count Distribution | Mild | Moderate | Severe | WPU | Weighted Distribution |
| 01013 | Hettinger 13 | 1 | 45701 | 338.24 | 63,589 | 52 | 67,725 | 43 | 8 | 1 | 91.80 | 65,878 |
| 02002 | Valley City 2 | 1 | 02727 | 1,154.34 | 217,016 | 168 | 218,804 | 131 | 33 | 4 | 304.10 | 218,230 |
| 02046 | Litchville-Marion 46 | 1 | 23724 | 177.20 | 33,314 | 26 | 33,862 | 17 | 8 | 1 | 50.20 | 36,025 |
| 02065 | N Central 65 | 1 | 02727 | 136.15 | 25,596 | 22 | 28,653 | 20 | 2 | - | 37.00 | 26,552 |
| 02082 | Wimbledon-Courtenay 82 | 1 | 47721 | 147.73 | 27,773 | 17 | 22,141 | 15 | 1 | 1 | 29.50 | 21,170 |
| 03005 | Minnewaukan 5 | 1 | 36714 | 162.29 | 30,511 | 42 | 54,701 | 38 | 4 | - | 70.80 | 50,808 |
| 03006 | Leeds 6 | 1 | 36714 | 179.32 | 33,712 | 24 | 31,258 | 20 | 3 | 1 | 42.50 | 30,499 |
| 03009 | Maddock 9 | 1 | 52705 | 196.38 | 36,919 | 31 | 40,375 | 29 | 2 | - | 51.40 | 36,886 |
| 03016 | Oberon 16 | 2 | 14712 | 33.04 | 6,212 | 7 | 9,117 | 5 | 2 | - | 13.00 | 9,329 |
| 03029 | Warwick 29 | 1 | 36714 | 187.19 | 35,192 | 46 | 59,911 | 39 | 6 | 1 | 80.40 | 57,697 |
| 03030 | Ft Totten 30 | 1 | 03736 | 165.54 | 31,122 | 38 | 49,491 | 35 | 2 | 1 | 64.00 | 45,928 |
| 04001 | Billings Co 1 | 2 | 45701 | 52.42 | 9,855 | 9 | 11,722 | 5 | 4 | - | 18.00 | 12,917 |
| 05001 | Bottineau 1 | 1 | 05726 | 764.84 | 143,790 | 100 | 130,240 | 79 | 18 | 3 | 180.40 | 129,459 |
| 05017 | Westhope 17 | 1 | 05726 | 127.21 | 23,915 | 23 | 29,955 | 16 | 7 | - | 43.10 | 30,930 |
| 05054 | Newburg-United 54 | 1 | 05726 | 72.67 | 13,662 | 17 | 22,141 | 17 | - | - | 27.20 | 19,519 |
| 06001 | Bowman 1 | 1 | 45701 | 389.08 | 73,147 | 31 | 40,375 | 24 | 7 | - | 55.90 | 40,115 |
| 06017 | Rhame 17 | 1 | 45701 | 74.18 | 13,946 | 8 | 10,419 | 7 | 1 | - | 13.70 | 9,831 |
| 06033 | Scranton 33 | 1 | 45701 | 146.69 | 27,578 | 12 | 15,629 | 11 | 1 | - | 20.10 | 14,424 |
| 07014 | Bowbells 14 | 1 | 31706 | 80.71 | 15,173 | 12 | 15,629 | 8 | 4 | - | 22.80 | 16,362 |
| 07027 | Powers Lake 27 | 1 | 31706 | 94.78 | 17,819 | 14 | 18,234 | 11 | 2 | 1 | 25.60 | 18,371 |
| 07036 | Burke Central 36 | 1 | 31706 | 87.54 | 16,458 | 14 | 18,234 | 12 | 1 | 1 | 24.70 | 17,725 |
| 08001 | Bismarck 1 | 1 | 08711 | 10,072.48 | 1,893,626 | 1,420 | 1,849,413 | 1,080 | 310 | 30 | 2,593.00 | 1,860,800 |
| 08025 | Naughton 25 | 3 | 08702 | 4.00 | 752 | 7 | 9,117 | 7 | - | - | 11.20 | 8,037 |
| 08028 | Wing 28 | 1 | 24718 | 74.80 | 14,062 | 12 | 15,629 | 10 | 2 | - | 21.00 | 15,070 |
| 08029 | Baldwin 29 | 2 | 08702 | 19.50 | 3,666 | 5 | 6,512 | 5 | - | - | 8.00 | 5,741 |
| 08033 | Menoken 33 | 2 | 08702 | 16.31 | 3,066 | 3 | 3,907 | 2 | 1 | - | 5.70 | 4,090 |
| 08035 | Sterling 35 | 2 | 08702 | 32.65 | 6,138 | 10 | 13,024 | 7 | 3 | - | 18.70 | 13,420 |
| 08039 | Apple Creek 39 | 2 | 08702 | 48.00 | 9,024 | 11 | 14,326 | 11 | - | - | 17.60 | 12,630 |
| 08045 | Manning 45 | 3 | 08702 | 4.17 | 784 | - | - | - | - | - | - | - |
| 09001 | Fargo 1 | 1 | 09730 | 10,691.28 | 2,009,961 | 1,335 | 1,738,709 | 915 | 350 | 70 | 2,549.00 | 1,829,225 |
| 09002 | Kindred 2 | 1 | 09717 | 683.77 | 128,549 | 65 | 84,656 | 50 | 10 | 5 | 120.00 | 86,115 |
| 09004 | Maple Valley 4 | 1 | 02727 | 255.76 | 48,083 | 37 | 48,189 | 31 | 6 | - | 64.60 | 46,359 |
| 09006 | West Fargo 6 | 1 | 09734 | 5,294.39 | 995,345 | 786 | 1,023,689 | 518 | 217 | 51 | 1,524.30 | 1,093,875 |
| 09007 | Mapleton 7 | 2 | 09717 | 79.93 | 15,027 | 15 | 19,536 | 14 | 1 | - | 24.90 | 17,869 |
| 09017 | Central Cass 17 | 1 | 09717 | 828.97 | 155,846 | 122 | 158,893 | 101 | 16 | 5 | 216.60 | 155,437 |
| 09080 | Page 80 | 2 | 02727 | 111.67 | 20,994 | 12 | 15,629 | 9 | 3 | - | 21.90 | 15,716 |
| 09097 | Northern Cass | 1 | 09717 | 465.21 | 87,459 | 50 | 65,120 | 43 | 7 | - | 86.30 | 61,931 |



ST 4/24/07

| CODIST | DNAME | Dtype | Sp Ed Unit | 2005-06 SpEd ADM Distribution 188 | | SpEd Students Distribution | | Weighted Distribution 1.60 | 2.50 | 3.00 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 5.D Sped ADM | ADM Distribution | Dec 2005 Child Count* | Dec 2005 Child Count Distribution | Mild | Moderate | Severe | WPU | Weighted Distribution |
| 10014 | Border Central 14 | 4 | 36714 | 25.24 | 4,745 | - | - | - | - | - | - | - |
| 10019 | Munich 19 | 1 | 36714 | 111.02 | 20,872 | 13 | 16,931 | 11 | 2 | - | 22.60 | 16,218 |
| 10023 | Langdon Area 23 | 1 | 36714 | 479.89 | 90,219 | 67 | 87,261 | 55 | 12 | - | 118.00 | 84,680 |
| 11040 | Ellendale 40 | 1 | 23724 | 336.85 | 63,328 | 39 | 50,794 | 34 | 3 | 2 | 67.80 | 48,727 |
| 11041 | Oakes 41 | 1 | 02727 | 515.89 | 96,987 | 48 | 62,515 | 43 | 3 | 2 | 82.30 | 59,060 |
| 12001 | Divide County 1 | 1 | 31706 | 271.54 | 51,050 | 24 | 31,258 | 20 | 4 | - | 42.00 | 30,140 |
| 13008 | Dodge 8 | 2 | 29715 | 29.93 | 5,627 | 4 | 5,210 | 4 | - | - | 6.40 | 4,593 |
| 13016 | Killdeer 16 | 1 | 45701 | 387.67 | 72,882 | 41 | 53,399 | 34 | 6 | 1 | 72.40 | 51,956 |
| 13019 | Halliday 19 | 1 | 45701 | 28.92 | 5,437 | 6 | 7,814 | 5 | 1 | - | 10.50 | 7,535 |
| 13037 | Twin Buttes 37 | 2 | 45701 | 43.26 | 8,133 | 12 | 15,629 | 12 | - | - | 19.20 | 13,778 |
| 14001 | New Rockford 1 | 1 | 14712 | 379.04 | 71,260 | 46 | 59,911 | 40 | 4 | 2 | 80.00 | 57,410 |
| 14012 | Sheyenne 12 | 1 | 14712 | 96.69 | 18,178 | 19 | 24,746 | 18 | 1 | - | 31.30 | 22,462 |
| 15006 | Hazelton-Moffit-Braddock 6 | 1 | 15722 | 139.30 | 26,188 | 13 | 16,931 | 10 | 3 | - | 23.50 | 16,864 |
| 15010 | Bakker 10 | 2 | 15722 | 3.96 | 744 | - | - | - | - | - | - | - |
| 15015 | Strasburg 15 | 1 | 15722 | 182.18 | 34,250 | 34 | 44,282 | 33 | 1 | - | 55.30 | 39,685 |
| 15036 | Linton 36 | 1 | 15722 | 337.39 | 63,429 | 32 | 41,677 | 30 | 2 | - | 53.00 | 38,034 |
| 16049 | Carrington 49 | 1 | 14712 | 660.65 | 124,202 | 74 | 96,378 | 59 | 14 | 1 | 132.40 | 95,013 |
| 17003 | Beach 3 | 1 | 45701 | 318.21 | 59,823 | 58 | 75,539 | 34 | 24 | - | 114.40 | 82,096 |
| 17006 | Lone Tree 6 | 2 | 45701 | 42.50 | 7,990 | 6 | 7,814 | 3 | 1 | 2 | 13.30 | 9,544 |
| 18001 | Grand Forks 1 | 1 | 18733 | 7,348.82 | 1,381,578 | 1,087 | 1,415,712 | 785 | 258 | 44 | 2,033.00 | 1,458,930 |
| 18044 | Larimore 44 | 1 | 50729 | 506.75 | 95,269 | 80 | 104,192 | 67 | 13 | - | 139.70 | 100,252 |
| 18061 | Thompson 61 | 1 | 18733 | 418.73 | 78,721 | 35 | 45,584 | 29 | 5 | 1 | 61.90 | 44,421 |
| 18125 | Manvel 125 | 2 | 50729 | 145.22 | 27,301 | 28 | 36,467 | 22 | 5 | 1 | 50.70 | 36,384 |
| 18127 | Emerado 127 | 2 | 50729 | 100.82 | 18,954 | 21 | 27,350 | 17 | 4 | - | 37.20 | 26,696 |
| 18128 | Midway 128 | 1 | 50729 | 238.12 | 44,767 | 41 | 53,399 | 34 | 7 | - | 71.90 | 51,597 |
| 18129 | Northwood 129 | 1 | 49723 | 308.88 | 58,069 | 54 | 70,330 | 36 | 17 | 1 | 103.10 | 73,987 |
| 18140 | Grand Forks AFB 1 | 4 | 18733 | - | - | - | - | - | - | - | - | - |
| 19018 | Roosevelt 18 | 2 | 21709 | 161.78 | 30,415 | 31 | 40,375 | 27 | 3 | 1 | 53.70 | 38,536 |
| 19049 | Elgin-New Leipzig 49 | 1 | 21709 | 168.84 | 31,742 | 19 | 24,746 | 16 | 3 | - | 33.10 | 23,753 |
| 20007 | Midkota 7 | 1 | 49723 | 145.95 | 27,439 | 25 | 32,560 | 18 | 6 | 1 | 46.80 | 33,585 |
| 20018 | Griggs County Central 18 | 1 | 49723 | 328.53 | 61,764 | 39 | 50,794 | 33 | 5 | 1 | 68.30 | 49,014 |
| 21001 | Mott-Regent 1 | 1 | 21709 | 262.45 | 49,341 | 23 | 29,955 | 15 | 7 | 1 | 44.50 | 31,934 |
| 21009 | New England 9 | 1 | 45701 | 185.46 | 34,886 | 16 | 20,838 | 12 | 4 | - | 29.20 | 20,955 |
| 22011 | Pettibone-Tuttle 11 | 2 | 24718 | 11.08 | 2,083 | 1 | 1,302 | 1 | - | - | 1.60 | 1,148 |
| 22014 | Robinson 14 | 2 | 24718 | 8.50 | 1,598 | 2 | 2,605 | 2 | - | - | 3.20 | 2,296 |
| 22020 | Tuttle-Pettibone 20 | 1 | 24718 | 36.46 | 6,854 | 4 | 5,210 | 4 | - | - | 6.40 | 4,593 |
| 22026 | Steele-Dawson 26 | 1 | 24718 | 265.99 | 50,006 | 35 | 45,584 | 29 | 6 | - | 61.40 | 44,062 |

| CODIST DNAME | Dtype | Sp Ed Unit | 2005-06 SpEd ADM Distribution | | SpEd Students Distribution | | Weighted Distribution | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 188 | | | 1.60 | 2.50 | 3.00 | | |
| | | | 5.D Sped ADM | ADM Distribution | Dec 2005 Child Count* | Dec 2005 Child Count Distribution | Mild | Moderate | Severe | WPU | Weighted Distribution |
| 22028 Tappen 28 | 1 | 24718 | 100.14 | 18,826 | 12 | 15,629 | 12 | - | - | 19.20 | 13,778 |
| 23003 Edgeley 3 | 1 | 23724 | 231.23 | 43,471 | 34 | 44,282 | 30 | 4 | - | 58.00 | 41,622 |
| 23007 Kulm 7 | 1 | 23724 | 130.71 | 24,573 | 11 | 14,326 | 8 | 2 | 1 | 20.80 | 14,927 |
| 23008 LaMoure 8 | 1 | 23724 | 316.17 | 59,440 | 46 | 59,911 | 35 | 9 | 2 | 84.50 | 60,639 |
| 23011 Verona 11 | 4 | 23724 | - | - | - | - | - | - | - | - | - |
| 24002 Napoleon 2 | 1 | 24718 | 231.68 | 43,556 | 26 | 33,862 | 26 | - | - | 41.60 | 29,853 |
| 24056 Gackle 14 | 1 | 24718 | 109.12 | 20,515 | 19 | 24,746 | 14 | 5 | - | 34.90 | 25,045 |
| 25001 Velva 1 | 1 | 51708 | 413.94 | 77,821 | 49 | 63,818 | 41 | 8 | - | 85.60 | 61,429 |
| 25014 Anamoose 14 | 1 | 52705 | 87.29 | 16,411 | 16 | 20,838 | 15 | - | 1 | 27.00 | 19,376 |
| 25057 Drake 57 | 1 | 52705 | 131.21 | 24,667 | 16 | 20,838 | 14 | 2 | - | 27.40 | 19,663 |
| 25060 TGU 60 | 1 | 05726 | 366.53 | 68,908 | 68 | 88,563 | 60 | 7 | 1 | 116.50 | 83,603 |
| 26004 Zeeland 4 | 1 | 24718 | 55.94 | 10,517 | 9 | 11,722 | 9 | - | - | 14.40 | 10,334 |
| 26009 Ashley 9 | 1 | 24718 | 157.57 | 29,623 | 23 | 29,955 | 21 | 1 | 1 | 39.10 | 28,059 |
| 26019 Wishek 19 | 1 | 24718 | 238.02 | 44,748 | 24 | 31,258 | 23 | 1 | - | 39.30 | 28,203 |
| 27001 McKenzie Co 1 | 1 | 53720 | 562.74 | 105,795 | 68 | 88,563 | 52 | 16 | - | 123.20 | 88,411 |
| 27002 Alexander 2 | 1 | 53720 | 48.97 | 9,206 | 6 | 7,814 | 4 | 2 | - | 11.40 | 8,181 |
| 27014 Yellowstone 14 | 2 | 53720 | 74.16 | 13,942 | 4 | 5,210 | 4 | - | - | 6.40 | 4,593 |
| 27018 Earl | 3 | 53720 | - | - | - | - | - | - | - | - | - |
| 27019 Bowline Butte | 4 | 53720 | - | - | - | - | - | - | - | - | - |
| 27032 Horse Creek 32 | 3 | 53720 | 6.00 | 1,128 | - | - | - | - | - | - | - |
| 27036 Mandaree 36 | 1 | 53720 | 179.05 | 33,661 | 39 | 50,794 | 31 | 7 | 1 | 70.10 | 50,305 |
| 28001 Montefiore 1 | 1 | 51708 | 199.48 | 37,502 | 34 | 44,282 | 32 | 1 | 1 | 56.70 | 40,689 |
| 28004 Washburn 4 | 1 | 51708 | 314.87 | 59,196 | 29 | 37,770 | 25 | 3 | 1 | 50.50 | 36,240 |
| 28008 Underwood 8 | 1 | 51708 | 214.99 | 40,418 | 48 | 62,515 | 44 | 4 | - | 80.40 | 57,697 |
| 28050 Max 50 | 1 | 51708 | 159.08 | 29,907 | 22 | 28,653 | 14 | 8 | - | 42.40 | 30,427 |
| 28051 Garrison 51 | 1 | 51708 | 339.20 | 63,770 | 48 | 62,515 | 40 | 8 | - | 84.00 | 60,280 |
| 28072 Turtle Lake-Mercer 72 | 1 | 52705 | 174.22 | 32,753 | 27 | 35,165 | 21 | 6 | - | 48.60 | 34,877 |
| 28085 White Shield 85 | 1 | 51708 | 114.21 | 21,471 | - | - | - | - | - | - | - |
| 29003 Hazen 3 | 1 | 29715 | 684.71 | 128,725 | 88 | 114,611 | 75 | 13 | - | 152.50 | 109,438 |
| 29020 Golden Valley 20 | 1 | 29715 | 42.34 | 7,960 | 10 | 13,024 | 9 | 1 | - | 16.90 | 12,128 |
| 29027 Beulah 27 | 1 | 29715 | 786.37 | 147,838 | 109 | 141,962 | 91 | 15 | 3 | 192.10 | 137,856 |
| 30001 Mandan 1 | 1 | 30725 | 3,110.65 | 584,802 | 537 | 699,391 | 464 | 64 | 9 | 929.40 | 666,960 |
| 30004 Little Heart 4 | 2 | 08702 | 23.22 | 4,365 | 3 | 3,907 | 3 | - | - | 4.80 | 3,445 |
| 30007 New Salem 7 | 1 | 30725 | 361.50 | 67,962 | 33 | 42,979 | 27 | 5 | 1 | 58.70 | 42,125 |
| 30008 Sims 8 | 2 | 30725 | 24.00 | 4,512 | 2 | 2,605 | 2 | - | - | 3.20 | 2,296 |
| 30013 Hebron 13 | 1 | 30725 | 148.96 | 28,004 | 27 | 35,165 | 22 | 5 | - | 47.70 | 34,231 |
| 30017 Sweet Briar 17 | 3 | 30725 | 10.00 | 1,880 | - | - | - | - | - | - | - |

| CODIST | DNAME | Dtype | Sp Ed Unit | 2005-06 SpEd ADM Distribution 188 | | SpEd Students Distribution | | Weighted Distribution 1.60 | 2.50 | 3.00 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 5.D Sped ADM | ADM Distribution | Dec 2005 Child Count* | Dec 2005 Child Count Distribution | Mild | Moderate | Severe | WPU | Weighted Distribution |
| 30039 | Flasher 39 | 1 | 21709 | 206.31 | 38,786 | 19 | 24,746 | 16 | 2 | 1 | 33.60 | 24,112 |
| 30048 | Glen Ullin 48 | 1 | 30725 | 204.32 | 38,412 | 18 | 23,443 | 15 | 3 | - | 31.50 | 22,605 |
| 31001 | New Town 1 | 1 | 51708 | 686.75 | 129,109 | 132 | 171,917 | 113 | 19 | - | 228.30 | 163,834 |
| 31002 | Stanley 2 | 1 | 31706 | 333.87 | 62,768 | 70 | 91,168 | 60 | 9 | 1 | 121.50 | 87,191 |
| 31003 | Parshall 3 | 1 | 51708 | 266.83 | 50,164 | 47 | 61,213 | 42 | 4 | 1 | 80.20 | 57,553 |
| 32001 | Dakota Prairie 1 | 1 | 36714 | 320.44 | 60,243 | 43 | 56,003 | 38 | 4 | 1 | 73.80 | 52,961 |
| 32066 | Lakota 66 | 1 | 36714 | 242.11 | 45,517 | 45 | 58,608 | 44 | 1 | - | 72.90 | 52,315 |
| 33001 | Center-Stanton 1 | 1 | 29715 | 271.50 | 51,042 | 43 | 56,003 | 36 | 6 | 1 | 75.60 | 54,252 |
| 34006 | Cavalier 6 | 1 | 34707 | 519.45 | 97,657 | 128 | 166,708 | 113 | 13 | 2 | 219.30 | 157,375 |
| 34012 | Valley 12 | 1 | 34707 | 146.02 | 27,452 | 14 | 18,234 | 13 | 1 | - | 23.30 | 16,721 |
| 34019 | Drayton 19 | 1 | 34707 | 154.05 | 28,961 | 13 | 16,931 | 8 | 4 | 1 | 25.80 | 18,515 |
| 34043 | St Thomas 43 | 1 | 34707 | 108.61 | 20,419 | 19 | 24,746 | 15 | 4 | - | 34.00 | 24,399 |
| 34100 | North Border 100 | 1 | 34707 | 494.09 | 92,889 | 82 | 106,797 | 65 | 17 | - | 146.50 | 105,132 |
| 35001 | Wolford 1 | 1 | 05726 | 47.64 | 8,956 | 9 | 11,722 | 8 | 1 | - | 15.30 | 10,980 |
| 35005 | Rugby 5 | 1 | 52705 | 540.04 | 101,528 | 83 | 108,099 | 66 | 15 | 2 | 149.10 | 106,998 |
| 36001 | Devils Lake 1 | 1 | 36714 | 1,799.91 | 338,383 | 323 | 420,676 | 273 | 45 | 5 | 564.30 | 404,955 |
| 36002 | Edmore 2 | 1 | 36714 | 88.14 | 16,570 | 13 | 16,931 | 12 | 1 | - | 21.70 | 15,572 |
| 36044 | Starkweather 44 | 1 | 36714 | 92.96 | 17,476 | 18 | 23,443 | 15 | 3 | - | 31.50 | 22,605 |
| 37002 | Sheldon 2 | 2 | 39728 | 28.03 | 5,270 | 5 | 6,512 | 4 | 1 | - | 8.90 | 6,387 |
| 37006 | Ft Ransom 6 | 2 | 39728 | 14.00 | 2,632 | 1 | 1,302 | 1 | - | - | 1.60 | 1,148 |
| 37019 | Lisbon 19 | 1 | 39728 | 623.58 | 117,233 | 114 | 148,474 | 89 | 23 | 2 | 205.90 | 147,759 |
| 37022 | Enderlin 22 | 1 | 39728 | 310.40 | 58,355 | 50 | 65,120 | 35 | 14 | 1 | 94.00 | 67,457 |
| 38001 | Mohall-Lansford-Sherwood | 1 | 05726 | 342.14 | 64,322 | 71 | 92,471 | 50 | 16 | 5 | 135.00 | 96,879 |
| 38026 | Glenburn 26 | 1 | 51708 | 267.01 | 50,198 | 48 | 62,515 | 28 | 19 | 1 | 95.30 | 68,390 |
| 39005 | Mantador 5 | 4 | 39728 | - | - | - | - | - | - | - | - | - |
| 39008 | Hankinson 8 | 1 | 39728 | 308.07 | 57,917 | 64 | 83,354 | 50 | 13 | 1 | 115.50 | 82,886 |
| 39018 | Fairmount 18 | 1 | 39728 | 105.65 | 19,862 | 18 | 23,443 | 16 | 2 | - | 30.60 | 21,959 |
| 39028 | Lidgerwood 28 | 1 | 39728 | 201.66 | 37,912 | 20 | 26,048 | 20 | - | - | 32.00 | 22,964 |
| 39037 | Wahpeton 37 | 1 | 39737 | 1,371.05 | 257,757 | 203 | 264,388 | 157 | 44 | 2 | 367.20 | 263,512 |
| 39042 | Wyndmere 42 | 1 | 39728 | 241.07 | 45,321 | 29 | 37,770 | 19 | 8 | 2 | 56.40 | 40,474 |
| 39044 | Richland 44 | 1 | 39728 | 322.14 | 60,562 | 38 | 49,491 | 21 | 14 | 3 | 77.60 | 55,688 |
| 40001 | Dunseith 1 | 1 | 05726 | 410.59 | 77,191 | 86 | 112,007 | 69 | 17 | - | 152.90 | 109,725 |
| 40003 | St John 3 | 1 | 05726 | 294.01 | 55,274 | 44 | 57,306 | 40 | 3 | 1 | 74.50 | 53,463 |
| 40004 | Mt Pleasant 4 | 1 | 05726 | 294.78 | 55,419 | 47 | 61,213 | 37 | 8 | 2 | 85.20 | 61,142 |
| 40007 | Belcourt 7 | 1 | 40719 | 1,594.83 | 299,828 | 46 | 59,911 | 40 | 6 | - | 79.00 | 56,692 |
| 40029 | Rolette 29 | 1 | 05726 | 175.83 | 33,056 | 22 | 28,653 | 19 | 2 | 1 | 38.40 | 27,557 |
| 41002 | Milnor 2 | 1 | 39728 | 282.48 | 53,106 | 49 | 63,818 | 38 | 10 | 1 | 88.80 | 63,725 |

| CODIST | DNAME | Dtype | Sp Ed Unit | 2005-06 SpEd ADM Distribution | | SpEd Students Distribution | | Weighted Distribution | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 188 | | | 1.60 | 2.50 | 3.00 | | |
| | | | | 5.D Sped ADM | ADM Distribution | Dec 2005 Child Count* | Dec 2005 Child Count Distribution | Mild | Moderate | Severe | WPU | Weighted Distribution |
| 41003 | N Sargent 3 | 1 | 39728 | 200.62 | 37,717 | 42 | 54,701 | 30 | 7 | 5 | 80.50 | 57,769 |
| 41006 | Sargent Central 6 | 1 | 39728 | 292.19 | 54,932 | 46 | 59,911 | 33 | 12 | 1 | 85.80 | 61,572 |
| 42016 | Goodrich 16 | 1 | 52705 | 45.00 | 8,460 | 10 | 13,024 | 6 | 3 | 1 | 20.10 | 14,424 |
| 42019 | McClusky 19 | 1 | 52705 | 94.70 | 17,804 | 15 | 19,536 | 14 | - | 1 | 25.40 | 18,228 |
| 43003 | Solen 3 | 1 | 30725 | 153.14 | 28,790 | 32 | 41,677 | 27 | 4 | 1 | 56.20 | 40,330 |
| 43004 | Ft Yates 4 | 2 | 43731 | 155.60 | 29,253 | 35 | 45,584 | 34 | 1 | - | 56.90 | 40,833 |
| 43008 | Selfridge 8 | 1 | 30725 | 91.52 | 17,206 | 4 | 5,210 | 4 | - | - | 6.40 | 4,593 |
| 44012 | Marmarth 12 | 2 | 45701 | 15.02 | 2,824 | 3 | 3,907 | 3 | - | - | 4.80 | 3,445 |
| 44032 | Central Elementary 32 | 2 | 45701 | 4.00 | 752 | 3 | 3,907 | 3 | - | - | 4.80 | 3,445 |
| 45001 | Dickinson 1 | 1 | 45735 | 2,533.61 | 476,319 | 371 | 483,192 | 284 | 70 | 17 | 680.40 | 488,272 |
| 45009 | South Heart 9 | 1 | 45701 | 242.73 | 45,633 | 31 | 40,375 | 27 | 4 | - | 53.20 | 38,178 |
| 45013 | Belfield 13 | 1 | 45701 | 227.31 | 42,734 | 28 | 36,467 | 27 | 1 | - | 45.70 | 32,795 |
| 45034 | Richardton-Taylor 34 | 1 | 45701 | 273.82 | 51,478 | 30 | 39,072 | 25 | 5 | - | 52.50 | 37,675 |
| 46010 | Hope 10 | 1 | 02727 | 139.05 | 26,141 | 20 | 26,048 | 16 | 4 | - | 35.80 | 25,547 |
| 46019 | Finley-Sharon 19 | 1 | 49723 | 181.01 | 34,030 | 17 | 22,141 | 10 | 7 | - | 33.50 | 24,040 |
| 47001 | Jamestown 1 | 1 | 47721 | 2,347.15 | 441,264 | 363 | 472,772 | 284 | 66 | 13 | 658.40 | 472,484 |
| 47003 | Medina 3 | 1 | 47721 | 156.67 | 29,454 | 24 | 31,258 | 23 | 1 | - | 39.30 | 28,203 |
| 47010 | Pingree-Buchanan | 1 | 47721 | 154.13 | 28,976 | 19 | 24,748 | 17 | 2 | - | 32.20 | 23,108 |
| 47014 | Montpelier 14 | 1 | 47721 | 103.86 | 19,526 | 12 | 15,629 | 10 | 2 | - | 21.00 | 15,070 |
| 47019 | Kensal 19 | 1 | 14712 | 59.75 | 11,233 | 6 | 7,814 | 4 | 2 | - | 11.40 | 8,181 |
| 47026 | Spiritwood 26 | 2 | 47721 | 13.58 | 2,553 | 1 | 1,302 | 1 | - | - | 1.60 | 1,148 |
| 48002 | Bisbee-Egeland 2 | 1 | 36714 | 80.36 | 15,108 | 11 | 14,326 | 9 | 2 | - | 19.40 | 13,922 |
| 48008 | Southern 8 | 1 | 36714 | 225.72 | 42,435 | 24 | 31,258 | 23 | 1 | - | 39.30 | 28,203 |
| 48028 | North Central 28 | 1 | 36714 | 64.19 | 12,068 | 7 | 9,117 | 5 | 1 | 1 | 13.50 | 9,688 |
| 49003 | Central Valley 3 | 1 | 49723 | 282.01 | 53,018 | 47 | 61,213 | 32 | 14 | 1 | 89.20 | 64,012 |
| 49007 | Hatton 7 | 1 | 49723 | 231.89 | 43,595 | 37 | 48,189 | 28 | 9 | - | 67.30 | 48,296 |
| 49009 | Hillsboro 9 | 1 | 49723 | 404.43 | 76,033 | 47 | 61,213 | 34 | 13 | - | 86.90 | 62,362 |
| 49014 | May-Port CG 14 | 1 | 49723 | 558.80 | 105,054 | 83 | 108,099 | 48 | 29 | 6 | 167.30 | 120,059 |
| 50003 | Grafton 3 | 1 | 50729 | 884.25 | 166,239 | 166 | 216,199 | 136 | 24 | 6 | 295.60 | 212,130 |
| 50005 | Fordville-Lankin 5 | 1 | 50729 | 116.04 | 21,816 | 17 | 22,141 | 14 | 3 | - | 29.90 | 21,457 |
| 50020 | Minto 20 | 1 | 50729 | 219.22 | 41,213 | 43 | 56,003 | 38 | 5 | - | 73.30 | 52,602 |
| 50051 | Nash 51 | 2 | 50729 | 17.71 | 3,329 | 3 | 3,907 | 3 | - | - | 4.80 | 3,445 |
| 50078 | Park River 78 | 1 | 50729 | 390.31 | 73,378 | 51 | 66,423 | 48 | 3 | - | 84.30 | 60,496 |
| 50106 | Edinburg 106 | 1 | 50729 | 126.75 | 23,829 | 18 | 23,443 | 15 | 3 | - | 31.50 | 22,605 |
| 50128 | Adams 128 | 2 | 36714 | 73.03 | 13,730 | 9 | 11,722 | 7 | 2 | - | 16.20 | 11,626 |
| 51001 | Minot 1 | 1 | 51708 | 6,545.60 | 1,230,573 | 1,058 | 1,377,943 | 822 | 223 | 13 | 1,911.70 | 1,371,883 |
| 51004 | Nedrose 4 | 2 | 51708 | 248.73 | 46,761 | 24 | 31,258 | 20 | 4 | - | 42.00 | 30,140 |

| | | | | 2005-06 SpEd ADM Distribution | | SpEd Students Distribution | | Weighted Distribution | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 188 | | | 1.60 | 2.50 | 3.00 | | |
| CODIST | DNAME | Dtype | Sp Ed Unit | 5.D Sped ADM | ADM Distribution | Dec 2005 Child Count* | Dec 2005 Child Count Distribution | Mild | Moderate | Severe | WPU | Weighted Distribution |
| 51007 | United 7 | 1 | 51708 | 575.59 | 108,211 | 65 | 84,656 | 57 | 7 | 1 | 111.70 | 80,159 |
| 51010 | Bell 10 | 2 | 51708 | 140.36 | 26,388 | 14 | 18,234 | 14 | - | - | 22.40 | 16,075 |
| 51016 | Sawyer 16 | 1 | 51708 | 121.44 | 22,831 | 8 | 10,419 | 7 | 1 | - | 13.70 | 9,831 |
| 51019 | Eureka 19 | 2 | 51708 | 9.00 | 1,692 | - | - | - | - | - | - | - |
| 51028 | Kenmare 28 | 1 | 51708 | 274.59 | 51,623 | 46 | 59,911 | 45 | 1 | - | 74.50 | 53,463 |
| 51041 | Surrey 41 | 1 | 51708 | 356.84 | 67,086 | 47 | 61,213 | 32 | 13 | 2 | 89.70 | 64,371 |
| 51070 | S Prairie 70 | 2 | 51708 | 135.85 | 25,540 | 19 | 24,746 | 16 | 3 | - | 33.10 | 23,753 |
| 51160 | Minot AFB 160 | 4 | 51708 | - | - | - | - | - | - | - | - | - |
| 51161 | Lewis and Clark 161 | 1 | 51708 | 378.91 | 71,235 | 65 | 84,656 | 58 | 7 | - | 110.30 | 79,154 |
| 52025 | Fessenden-Bowdon 25 | 1 | 52705 | 184.15 | 34,620 | 20 | 26,048 | 17 | 3 | - | 34.70 | 24,902 |
| 52035 | Pleasant Valley 3 | 2 | 52705 | 18.96 | 3,564 | 1 | 1,302 | 1 | - | - | 1.60 | 1,148 |
| 52038 | Harvey 38 | 1 | 52705 | 457.32 | 85,976 | 71 | 92,471 | 67 | 3 | 1 | 117.70 | 84,464 |
| 53001 | Williston 1 | 1 | 53720 | 2,104.65 | 395,674 | 360 | 468,865 | 247 | 106 | 7 | 681.20 | 488,846 |
| 53002 | Nesson 2 | 1 | 53720 | 160.41 | 30,157 | 23 | 29,955 | 14 | 9 | - | 44.90 | 32,221 |
| 53006 | Eight Mile 6 | 1 | 53720 | 216.09 | 40,625 | 41 | 53,399 | 24 | 17 | - | 80.90 | 58,056 |
| 53008 | New 8 | 2 | 53720 | 217.82 | 40,950 | 24 | 31,258 | 20 | 4 | - | 42.00 | 30,140 |
| 53015 | Tioga 15 | 1 | 53720 | 240.17 | 45,152 | 40 | 52,096 | 33 | 7 | - | 70.30 | 50,449 |
| 53091 | Wildrose-Alamo 91 | 1 | 53720 | 38.97 | 7,326 | 5 | 6,512 | 3 | 2 | - | 9.80 | 7,033 |
| 53099 | Grenora 99 | 1 | 53720 | 63.71 | 11,977 | 9 | 11,722 | 6 | 3 | - | 17.10 | 12,271 |
| | | | | 95,889.90 | 18,046,101 | 13,856 | 18,046,101 | 10,755 | 2,728 | 373 | 25,147 | 18,046,101 |

Notes

* December Child Count was rolled up by serving district.

| County/ District Number | School District Name | Enroll. Grades K - 12 | Taxable Value Per Pupil | Total Mill Levy | Total Expend. | Ending Balance Fund Group 1 | User Defined Field 2 |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 9 | 19 | 26 | 43 | 44 | 50 |
| Codist | Dname | DENK12 | TAXVALPP | TOTLEVY | FGIEXP | FGIEB | 2% of GF Expend |
| 39005 | Mantador | - | - | - | - | - | - |
| 27019 | Bowline Butte | - | - | - | 67,383 | 71,156 | 1,348 |
| 30017 | Sweet Briar 17 | 9 | 21,213 | 133.22 | 75,600 | 12,338 | 1,512 |
| 8045 | Manning 45 | 5 | 7,200 | 251.93 | 97,657 | 28,848 | 1,953 |
| 8025 | Naughton 25 | 3 | 31,815 | 167.84 | 101,701 | 62,608 | 2,034 |
| 27018 | Earl 18 | 3 | 33,227 | 20.66 | 109,955 | 909,501 | 2,199 |
| 15010 | Bakker 10 | 4 | 36,666 | 123.90 | 112,742 | 111,313 | 2,255 |
| 27032 | Horse Creek 32 | 6 | 90,058 | 103.78 | 136,132 | 422,199 | 2,723 |
| 44032 | Central Elementary 32 | 6 | 69,068 | 47.06 | 138,272 | 329,180 | 2,765 |
| 44012 | Marmarth 12 | 10 | 58,793 | 62.93 | 159,966 | 225,989 | 3,199 |
| 51019 | Eureka 19 | 10 | 24,383 | 144.71 | 184,917 | 97,433 | 3,698 |
| 30004 | Little Heart 4 | 16 | 20,631 | 186.78 | 247,713 | 107,357 | 4,954 |
| 50051 | Nash 51 | 18 | 28,819 | 199.86 | 274,818 | 17,953 | 5,496 |
| 23011 | Verona 11 | - | - | - | 289,164 | 45,572 | 5,783 |
| 10014 | Border Central | - | #DIV/0! | - | 294,157 | 160,665 | 5,883 |
| 8033 | Menoken 33 | 12 | 17,971 | 169.40 | 296,085 | 171,080 | 5,922 |
| 52035 | Pleasant Valley 3 | 16 | 35,276 | 179.13 | 303,669 | 113,713 | 6,073 |
| 22011 | Pettibone-Tuttle 11 | 6 | 46,237 | 187.48 | 307,044 | 62,537 | 6,141 |
| 8029 | Baldwin 29 | 19 | 14,929 | 217.98 | 312,156 | 23,040 | 6,243 |
| 37006 | Ft Ransom 6 | 23 | 24,979 | 229.47 | 334,185 | 55,028 | 6,684 |
| 22014 | Robinson 14 | 7 | 45,997 | 223.28 | 361,434 | 104,197 | 7,229 |
| 13008 | Dodge 8 | 15 | 27,924 | 204.96 | 431,097 | 91,892 | 8,622 |
| 30008 | Sims 8 | 20 | 36,564 | 186.56 | 451,088 | 166,211 | 9,022 |
| 47026 | Spiritwood 26 | 10 | 184,271 | 140.09 | 496,734 | 432,726 | 9,935 |
| 22020 | Tuttle-Pettibone 20 | 23 | 83,716 | 171.40 | 574,477 | 310,426 | 11,490 |
| 37002 | Sheldon 2 | 21 | 19,024 | 253.91 | 575,026 | 94,954 | 11,501 |
| 29020 | Golden Valley 20 | 37 | 22,758 | 189.59 | 637,331 | 159,196 | 12,747 |
| 8035 | Sterling 35 | 38 | 27,943 | 196.07 | 639,642 | 124,617 | 12,793 |
| 3016 | Oberon 16 | 40 | 24,887 | 162.79 | 644,011 | 39,879 | 12,880 |
| 35001 | Wolford 1 | 46 | 33,933 | 199.95 | 652,326 | 145,611 | 13,047 |
| X 17006 | Lone Tree 6 (2) | 33 | - | 215.74 | 658,438 | 345,557 | 13,169 |
| 8039 | Apple Creek 39 | 55 | 15,087 | 238.15 | 718,831 | 232,121 | 14,377 |
| 26004 | Zeeland 4 | 52 | 45,625 | 162.30 | 720,210 | 273,098 | 14,404 |
| 47019 | Kensal 19 | 50 | 53,069 | 180.00 | 747,765 | 261,048 | 14,955 |
| 42016 | Goodrich 16 | 41 | 41,841 | 195.69 | 758,760 | 129,958 | 15,175 |
| 53091 | Wildrose-Alamo 91 | - | 47,436 | 148.07 | 782,653 | (43,330) | 15,653 |
| 13019 | Halliday 19 | 28 | 18,212 | 181.31 | 784,526 | 169,325 | 15,691 |
| 27014 | Yellowstone 14 | 47 | 20,931 | 182.27 | 842,276 | 403,670 | 16,846 |
| 8028 | Wing 28 | 90 | 35,427 | 148.87 | 884,336 | 256,562 | 17,687 |
| X 25014 | Anamoose 14 | 79 | 26,270 | 193.13 | 889,207 | 312,096 | 17,784 |
| 50005 | Fordville-Lankin 5 | 94 | 30,739 | 165.34 | 967,119 | 216,989 | 19,342 |
| 7014 | Bowbells 14 | 68 | 35,850 | 176.11 | 971,585 | 495,289 | 19,432 |
| 50128 | Adams 128 | 67 | 30,508 | 179.41 | 994,058 | 335,087 | 19,881 |
| 22028 | Tappen 28 | 90 | 18,181 | 201.12 | 997,787 | 275,816 | 19,956 |
| 48002 | Bisbee-Egeland 2 | 56 | 49,590 | 181.49 | 1,001,180 | 358,752 | 20,024 |
| X 42019 | McClusky 19 | 102 | 30,581 | 184.14 | 1,009,275 | 375,554 | 20,185 |
| 47014 | Montpelier 14 | 111 | 26,389 | 195.00 | 1,009,694 | 282,844 | 20,194 |
| 43008 | Selfridge 8 | 44 | 16,677 | 192.74 | 1,016,191 | 656,172 | 20,324 |
| X 48028 | North Central 28 | 62 | 43,110 | 156.82 | 1,022,300 | 247,456 | 20,446 |
| 50106 | Edinburg 106 | 122 | 20,100 | 195.06 | 1,027,444 | 129,217 | 20,549 |
| 53099 | Grenora 99 | 53 | 63,739 | 192.30 | 1,043,804 | 367,696 | 20,876 |
| 27002 | Alexander 2 | 41 | 69,372 | 146.95 | 1,049,007 | 413,579 | 20,980 |
| 36044 | Starkweather 44 | 87 | 36,784 | 183.62 | 1,098,264 | 230,781 | 21,965 |



ST 4/12/07

$1,438.22
x 4.5
$33,471.99

| County/ District Number | School District Name | Enroll. Grades K - 12 | Taxable Value Per Pupil | Total Mill Levy | Total Expend. | Ending Balance Fund Group 1 | User Defined Field 2 |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 9 | 19 | 26 | 43 | 44 | 50 |
| Codist | Dname | DENK12 | TAXVALPP | TOTLEVY | FGIEXP | FGIEB | 2% of GF Expend |
| 10019 | Munich 19 | 106 | 42,285 | 156.83 | 1,108,292 | 278,983 | 22,166 |
| X 7036 | Burke Central 36 | 87 | 46,572 | 179.20 | 1,117,024 | 315,567 | 22,340 |
| 51016 | Sawyer 16 | 134 | 19,009 | 195.00 | 1,141,780 | 204,709 | 22,836 |
| 34043 | St Thomas 43 | 119 | 28,843 | 217.85 | 1,150,105 | 342,208 | 23,002 |
| X 7027 | Powers Lake 27 | 118 | 17,818 | 193.95 | 1,152,791 | 231,522 | 23,056 |
| 51010 | Bell 10 | 157 | 13,670 | 219.79 | 1,159,877 | 178,867 | 23,198 |
| 5054 | Newburg-United 54 | 73 | 63,947 | 162.26 | 1,179,412 | 227,841 | 23,588 |
| 28085 | White Shield 85 | 124 | 2,786 | 185.00 | 1,184,640 | 29,336 | 23,693 |
| 9007 | Mapleton 7 | 67 | 17,461 | 252.74 | 1,204,493 | 221,221 | 24,090 |
| 36002 | Edmore 2 | 79 | 61,962 | 153.00 | 1,225,755 | 566,749 | 24,515 |
| 39018 | Fairmount 18 | 125 | 44,955 | 209.92 | 1,247,615 | 416,226 | 24,952 |
| 24056 | Gackle 56 | 101 | 44,090 | 142.37 | 1,261,617 | 630,615 | 25,232 |
| 18127 | Emerado 127 | 67 | 13,092 | 285.85 | 1,262,247 | 297,622 | 25,245 |
| 46010 | Hope 10 | 120 | 30,501 | 192.17 | 1,276,871 | 471,946 | 25,537 |
| 19018 | Roosevelt 18 | 135 | 17,361 | 177.07 | 1,293,397 | 255,992 | 25,868 |
| 28050 | Max 50 | 145 | 20,940 | 186.39 | 1,293,826 | 585,809 | 25,877 |
| 5017 | Westhope 17 | 117 | 29,040 | 177.70 | 1,295,761 | 478,269 | 25,915 |
| 15006 | Hazelton-Moffit-Braddock 6 | 137 | 30,067 | 184.66 | 1,313,112 | 514,251 | 26,262 |
| 47010 | Pingree-Buchanan | 156 | 29,840 | 174.92 | 1,329,054 | 545,862 | 26,581 |
| 25057 | Drake 57 | 129 | 29,336 | 174.79 | 1,333,044 | 279,038 | 26,661 |
| 51070 | S Prairie 70 | 141 | 26,018 | 175.89 | 1,449,684 | 501,956 | 28,994 |
| 53002 | Nesson 2 | 159 | 21,894 | 200.96 | 1,451,147 | 403,343 | 29,023 |
| 47003 | Medina 3 | 160 | 23,541 | 189.06 | 1,452,593 | 371,004 | 29,052 |
| 41003 | N Sargent 3 | 234 | 16,460 | 205.17 | 1,463,740 | 464,224 | 29,275 |
| 9080 | Page 80 | 98 | 37,506 | 176.88 | 1,464,571 | 603,234 | 29,291 |
| 15015 | Strasburg 15 | 161 | 19,267 | 142.50 | 1,476,236 | 538,414 | 29,525 |
| X 28009 | Ashley 9 | 148 | 27,937 | 163.98 | 1,482,545 | 711,354 | 29,651 |
| 34012 | Valley 12 | 162 | 25,519 | 202.27 | 1,538,649 | 330,852 | 30,773 |
| X 23007 | Kulm 7 | 121 | 48,051 | 179.73 | 1,539,586 | 326,124 | 30,792 |
| X 3006 | Leeds 6 | 167 | 27,459 | 171.39 | 1,575,056 | 763,597 | 31,501 |
| 45013 | Belfield 13 | 204 | 9,538 | 208.79 | 1,592,973 | 661,324 | 31,859 |
| X 28001 | Montefiore 1 | 216 | 18,642 | 163.48 | 1,610,178 | 253,476 | 32,204 |
| 46019 | Finley-Sharon 19 | 171 | 23,883 | 200.00 | 1,614,390 | 627,104 | 32,288 |
| 30013 | Hebron 13 | 162 | 25,179 | 173.71 | 1,614,826 | 600,540 | 32,297 |
| X 2082 | Wimbledon-Courtenay 82 | 150 | 41,671 | 181.09 | 1,646,897 | 457,291 | 32,938 |
| 6033 | Scranton 33 | 163 | 26,383 | 147.47 | 1,655,677 | 755,801 | 33,114 |
| 39028 | Lidgerwood 28 | 196 | 20,198 | 226.38 | 1,658,223 | 578,915 | 33,164 |
| 40029 | Rolette 29 | 168 | 16,627 | 200.00 | 1,679,482 | 210,342 | 33,590 |
| 41002 | Milnor 2 | 292 | 13,620 | 205.11 | 1,695,449 | 669,749 | 33,909 |
| 48008 | Southern 8 | 204 | 17,855 | 191.56 | 1,713,869 | 533,941 | 34,277 |
| 2065 | N Central 65 | 148 | 43,020 | 172.40 | 1,717,659 | 382,461 | 34,353 |
| 34019 | Drayton 19 | 144 | 40,278 | 198.88 | 1,718,308 | 443,194 | 34,366 |
| 3009 | Maddock 9 | 183 | 25,057 | 186.75 | 1,723,697 | 447,616 | 34,474 |
| 4001 | Billings Co 1 | 48 | 43,591 | 34.02 | 1,731,630 | 3,198,302 | 34,633 |
| 26019 | Wishek 19 | 230 | 20,957 | 155.27 | 1,744,709 | 887,659 | 34,894 |
| 50020 | Minto 20 | 236 | 20,853 | 190.83 | 1,765,770 | 573,239 | 35,315 |
| 18125 | Manvel 125 | 147 | 14,244 | 190.49 | 1,768,408 | 374,695 | 35,368 |
| 28072 | Turtle Lake-Mercer 72 | 166 | 29,304 | 163.93 | 1,788,610 | 560,747 | 35,772 |
| 45009 | South Heart 9 | 236 | 12,284 | 149.76 | 1,800,281 | 612,254 | 36,006 |
| 2046 | Litchville-Marion 46 | 165 | 37,426 | 150.48 | 1,831,534 | 179,510 | 36,631 |
| 24002 | Napoleon 2 | 245 | 18,641 | 176.01 | 1,833,212 | 566,603 | 36,664 |
| 20007 | Midkota 7 | 118 | 37,225 | 185.00 | 1,856,286 | 338,190 | 37,126 |
| 21009 | New England 9 | 169 | 30,797 | 175.50 | 1,859,512 | 222,202 | 37,190 |

| *County/ District Number* | *School District Name* | *Enroll. Grades K - 12* | *Taxable Value Per Pupil* | *Total Mill Levy* | *Total Expend.* | *Ending Balance Fund Group 1* | *User Defined Field 2* |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 9 | 19 | 26 | 43 | 44 | 50 |
| **Codist** | **Dname** | **DENK12** | **TAXVALPP** | **TOTLEVY** | **FGIEXP** | **FGIEB** | **2% of GF Expend** |
| 32066 | Lakota 66 | 217 | 27,254 | 201.27 | 1,868,122 | 474,135 | 37,362 |
| 52025 | Fessenden-Bowdon 25 | 186 | 40,340 | 142.53 | 1,868,948 | 590,790 | 37,379 |
| 3005 | Minnewaukan 5 | 217 | 20,155 | 188.93 | 1,875,136 | 435,306 | 37,503 |
| 30048 | Glen Ullin 48 | 173 | 20,072 | 162.42 | 1,888,864 | 795,312 | 37,777 |
| 23003 | Edgeley 3 | 216 | 25,085 | 187.62 | 1,920,384 | 654,252 | 38,408 |
| 19049 | Elgin-New Leipzig 49 | 169 | 24,263 | 188.24 | 1,962,691 | 278,820 | 39,254 |
| 30039 | Flasher 39 | 220 | 18,533 | 191.55 | 2,005,964 | 789,748 | 40,119 |
| 13037 | Twin Buttes 37 | 44 | 331 | - | 2,007,408 | (172,027) | 40,148 |
| 49003 | Central Valley 3 | 263 | 20,951 | 177.17 | 2,057,876 | 685,149 | 41,158 |
| 49007 | Hatton 7 | 221 | 15,769 | 239.48 | 2,063,341 | 174,855 | 41,267 |
| 39042 | Wyndmere 42 | 242 | 27,503 | 168.01 | 2,075,338 | 936,353 | 41,507 |
| 51004 | Nedrose 4 | 224 | 15,717 | 190.05 | 2,128,827 | 585,976 | 42,577 |
| 28004 | Washburn 4 | 305 | 19,124 | 157.79 | 2,154,798 | 319,275 | 43,096 |
| 39008 | Hankinson 8 | 312 | 21,447 | 225.50 | 2,178,941 | 763,588 | 43,579 |
| 40004 | Mt Pleasant 4 | 259 | 14,587 | 255.19 | 2,216,739 | 412,513 | 44,335 |
| 22026 | Steele-Dawson 26 | 282 | 23,833 | 201.25 | 2,233,407 | 825,494 | 44,668 |
| 18128 | Midway 128 | 257 | 22,607 | 205.97 | 2,235,814 | 453,360 | 44,716 |
| 39044 | Richland 44 | 317 | 18,299 | 239.85 | 2,246,691 | 423,866 | 44,934 |
| 31003 | Parshall 3 | 270 | 15,917 | 178.08 | 2,256,287 | 764,503 | 45,126 |
| 53015 | Tioga 15 | 234 | 25,652 | 188.96 | 2,265,366 | 472,879 | 45,307 |
| 30007 | New Salem 7 | 329 | 13,165 | 171.04 | 2,278,765 | 621,061 | 45,575 |
| 21001 | Mott-Regent 1 | 242 | 31,161 | 154.25 | 2,314,720 | 501,722 | 46,294 |
| 28008 | Underwood 8 | 210 | 24,261 | 183.70 | 2,315,478 | (20,317) | 46,310 |
| 51041 | Surrey 41 | 332 | 11,488 | 176.91 | 2,335,959 | 146,147 | 46,719 |
| 15036 | Linton 36 | 326 | 18,052 | 171.43 | 2,389,572 | 421,154 | 47,791 |
| 41006 | Sargent Central 6 | 273 | 29,066 | 199.52 | 2,401,455 | 341,350 | 48,029 |
| 38026 | Glenburn 26 | 260 | 20,488 | 167.71 | 2,407,097 | 346,534 | 48,142 |
| 43003 | Solen 3 | 157 | 738 | 185.00 | 2,428,245 | 43,991 | 48,565 |
| 33001 | Center-Stanton 1 | 255 | 16,468 | 184.98 | 2,473,257 | 567,797 | 49,465 |
| 20018 | Griggs County Central 18 | 297 | 21,463 | 230.66 | 2,489,327 | 169,978 | 49,787 |
| 45034 | Richardton-Taylor 34 | 256 | 19,746 | 200.00 | 2,492,631 | 338,942 | 49,853 |
| 53008 | New 8 | 202 | 27,310 | 194.64 | 2,520,251 | 918,536 | 50,405 |
| 23008 | LaMoure 8 | 321 | 21,978 | 158.21 | 2,543,506 | 249,872 | 50,870 |
| 37022 | Enderlin 22 | 305 | 23,023 | 226.41 | 2,547,256 | 557,152 | 50,945 |
| 12001 | Divide County 1 | 237 | 28,887 | 145.36 | 2,558,825 | 878,454 | 51,177 |
| 3029 | Warwick 29 | 189 | 4,159 | 149.16 | 2,560,796 | 235,518 | 51,216 |
| 1013 | Hettinger 13 | 312 | 24,087 | 196.40 | 2,669,271 | 565,186 | 53,385 |
| 25001 | Velva 1 | 410 | 21,754 | 162.61 | 2,674,773 | 354,192 | 53,495 |
| 11040 | Ellendale 40 | 358 | 18,158 | 207.17 | 2,678,471 | 368,723 | 53,569 |
| 18061 | Thompson 61 | 425 | 15,264 | 198.46 | 2,701,030 | 582,258 | 54,021 |
| 9004 | Maple Valley 4 | 261 | 32,679 | 175.81 | 2,714,420 | 691,995 | 54,288 |
| 31002 | Stanley 2 | 350 | 20,582 | 208.00 | 2,779,691 | 524,954 | 55,594 |
| 28051 | Garrison 51 | 331 | 24,734 | 171.98 | 2,840,950 | 564,140 | 56,819 |
| 18129 | Northwood 129 | 295 | 16,641 | 229.70 | 2,907,274 | 92,187 | 58,145 |
| 13016 | Killdeer 16 | 360 | 25,579 | 168.78 | 3,070,533 | 739,692 | 61,411 |
| 51028 | Kenmare 28 | 283 | 28,595 | 192.89 | 3,104,657 | 804,690 | 62,093 |
| 32001 | Dakota Prairie 1 | 273 | 24,154 | 189.69 | 3,113,066 | 999,933 | 62,261 |
| 43004 | Ft Yates 4 | 198 | 603 | 185.00 | 3,203,192 | (345,413) | 64,064 |
| 50078 | Park River 78 | 415 | 16,375 | 240.97 | 3,230,521 | 844,689 | 64,610 |
| 40003 | St John 3 | 315 | 1,828 | 163.33 | 3,233,044 | 1,175,282 | 64,661 |
| 53006 | Eight Mile 6 | 225 | 10,744 | 181.78 | 3,279,524 | 877,032 | 65,590 |
| 3030 | Ft Totten 30 | 176 | 241 | 306.51 | 3,322,413 | 1,089,073 | 66,448 |
| 51161 | Lewis and Clark 161 | 370 | 28,121 | 174.62 | 3,343,706 | 741,993 | 66,874 |

| County/ District Number | School District Name | Enroll. Grades K - 12 | Taxable Value Per Pupil | Total Mill Levy | Total Expend. | Ending Balance Fund Group 1 | User Defined Field 2 |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 9 | 19 | 26 | 43 | 44 | 50 |
| Codist | Dname | DENK12 | TAXVALPP | TOTLEVY | FGIEXP | FGIEB | 2% of GF Expend |
| 25060 | TGU 60 | 344 | 30,636 | 158.51 | 3,401,925 | 1,303,797 | 68,039 |
| 9097 | Northern Cass | 505 | 27,088 | 222.91 | 3,410,483 | 499,849 | 68,210 |
| 49009 | Hillsboro 9 | 405 | 24,936 | 207.69 | 3,456,487 | 135,196 | 69,130 |
| 38001 | Mohall-Lansford-Sherwood 1 | 317 | 30,041 | 157.42 | 3,486,419 | 952,544 | 69,728 |
| 51007 | United 7 | 545 | 11,484 | 210.41 | 3,516,663 | 305,739 | 70,333 |
| 14002 | New Rockford 2 | 421 | 18,044 | 180.00 | 3,600,523 | 681,775 | 72,010 |
| 52038 | Harvey 38 | 436 | 20,884 | 185.76 | 3,678,556 | 578,523 | 73,571 |
| 11041 | Oakes 41 | 527 | 18,953 | 201.76 | 3,703,596 | 392,387 | 74,072 |
| 37019 | Lisbon 19 | 641 | 16,699 | 215.80 | 3,918,562 | 451,582 | 78,371 |
| 18044 | Larimore 44 | 489 | 14,904 | 207.88 | 3,931,630 | 864,048 | 78,633 |
| 10023 | Langdon Area 23 | 449 | 26,365 | 160.03 | 3,960,819 | 1,115,823 | 79,216 |
| 34006 | Cavalier 6 | 431 | 21,942 | 202.00 | 4,016,055 | 510,263 | 80,321 |
| 49014 | May-Port CG 14 | 565 | 20,650 | 211.00 | 4,143,704 | 886,587 | 82,874 |
| 17003 | Beach 3 | 289 | - | 145.42 | 4,246,698 | 1,231,807 | 84,934 |
| 9002 | Kindred 2 | 691 | 20,028 | 199.32 | 4,310,076 | 833,683 | 86,202 |
| 35005 | Rugby 5 | 528 | 18,034 | 193.52 | 4,345,117 | 962,310 | 86,902 |
| 16049 | Carrington 49 | 616 | 248,013 | 165.02 | 4,402,251 | 1,711,179 | 88,045 |
| 6001 | Bowman County 1 | 442 | 19,052 | 161.63 | 4,462,653 | 1,929,224 | 89,253 |
| 29003 | Hazen 3 | 640 | 9,844 | 202.50 | 4,605,985 | 934,606 | 92,120 |
| 9017 | Central Cass 17 | 822 | 18,643 | 195.99 | 4,986,941 | 1,088,265 | 99,739 |
| 34100 | North Border 100 | 477 | 25,360 | 199.77 | 5,051,651 | 831,040 | 101,033 |
| 5001 | Bottineau 1 | 667 | 17,930 | 169.49 | 5,290,224 | 1,354,168 | 105,804 |
| 27001 | McKenzie Co 1 | 539 | 17,747 | 149.09 | 5,374,266 | 1,904,347 | 107,485 |
| 27036 | Mandaree 36 | 174 | 439 | 82.22 | 5,632,884 | 348,301 | 112,658 |
| 29027 | Beulah 27 | 726 | 13,866 | 218.77 | 5,696,803 | 1,783,619 | 113,936 |
| 40001 | Dunseith 1 | 423 | 1,851 | 154.02 | 5,813,590 | 278,574 | 116,272 |
| 50003 | Grafton 3 | 895 | 11,149 | 242.95 | 5,940,800 | 1,786,659 | 118,816 |
| 31001 | New Town 1 | 707 | 4,792 | 178.45 | 6,546,904 | 1,550,157 | 130,938 |
| 18140 | Grand Forks AFB 1 | - | 38 | - | 6,644,369 | - | 132,887 |
| 2002 | Valley City 2 | 1,094 | 14,676 | 241.11 | 7,662,120 | 742,468 | 153,242 |
| 39037 | Wahpeton 37 | 1,295 | 15,009 | 216.64 | 9,392,654 | 1,451,520 | 187,853 |
| 51160 | Minot AFB 160 | - | - | - | 11,234,207 | 800,331 | 224,684 |
| 36001 | Devils Lake 1 | 1,756 | 9,851 | 225.16 | 13,566,707 | 1,606,568 | 271,334 |
| 53001 | Williston 1 | 2,136 | 8,638 | 248.41 | 16,423,779 | 2,551,724 | 328,476 |
| 47001 | Jamestown 1 | 2,237 | - | 237.40 | 17,599,567 | 3,087,155 | 351,991 |
| 45001 | Dickinson 1 | 2,599 | 11,927 | 206.98 | 18,492,620 | 1,942,649 | 369,852 |
| 40007 | Belcourt 7 | 1,625 | 171 | - | 19,269,304 | 3,776,460 | 385,386 |
| 30001 | Mandan 1 | 3,144 | 12,914 | 236.56 | 21,658,198 | 2,222,664 | 433,164 |
| 9006 | West Fargo 6 | 5,901 | 23,944 | 254.02 | 41,541,703 | 3,843,194 | 830,834 |
| 51001 | Minot 1 | 6,411 | 15,418 | 208.42 | 53,907,861 | 13,211,837 | 1,078,157 |
| 18001 | Grand Forks 1 | 7,316 | 18,873 | 224.11 | 63,536,281 | 13,745,889 | 1,270,726 |
| 8001 | Bismarck 1 | 10,650 | 16,601 | 248.40 | 86,507,122 | 11,386,561 | 1,730,142 |
| 9001 | Fargo 1 | 10,646 | 19,556 | 309.02 | 99,756,955 | 25,186,248 | 1,995,139 |
| | North Dakota | 95,600 | 17,521 | 220.80 | 852,907,621 | 178,058,411 | |

## ND Govenor's Commission on Education Improvement
## Year 1 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | 25,000 minimum w/30 + Students | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 398.72 | 1,053,003 | 1,139,649 | - | - | - | - | - | (12,937) | - | 1,126,712 | 73,709 | 7.00% | 100,860 | 1,227,572 |
| 2002 | Valley City 2 | 1,244.53 | 3,487,901 | 3,575,135 | - | - | - | 654,738 | - | - | - | 4,229,874 | 741,973 | 21.27% | 258,920 | 4,488,794 |
| 2046 | Litchville-Marion 46 | 235.33 | 488,718 | 676,028 | - | (174,199) | (32,804) | - | 29,467 | - | 15,226 | 513,717 | 24,999 | 5.12% | 66,330 | 580,047 |
| 2065 | N Central 65 | 180.91 | 347,981 | 519,696 | - | (326,448) | - | - | 161,693 | - | 18,040 | 372,982 | 25,001 | 7.18% | 61,680 | 434,662 |
| 2082 | Wimbledon-Courtenay 82 | 197.24 | 390,207 | 566,607 | - | (254,068) | - | - | 85,471 | - | 17,196 | 415,206 | 24,999 | 6.41% | 52,100 | 467,306 |
| 3005 | Minnewaukan 5 | 217.85 | 655,050 | 625,813 | - | - | - | 188,312 | - | - | - | 814,125 | 159,075 | 24.28% | 59,620 | 873,745 |
| 3006 | Leeds 6 | 238.90 | 566,853 | 686,283 | - | - | - | - | - | (79,751) | - | 606,532 | 39,679 | 7.00% | 56,460 | 662,992 |
| 3009 | Maddock 9 | 260.09 | 656,765 | 747,155 | - | - | - | - | - | (44,418) | - | 702,737 | 45,972 | 7.00% | 52,400 | 755,137 |
| 3016 | Oberon 16 | 43.90 | 98,060 | 126,111 | - | (19,306) | (34,132) | - | 27,348 | - | 23,039 | 123,060 | 25,000 | 25.49% | 22,830 | 145,890 |
| 3029 | Warwick 29 | 246.10 | 758,029 | 706,966 | - | - | (962) | 168,788 | - | - | - | 874,792 | 116,764 | 15.40% | 66,900 | 941,692 |
| 3030 | Ft Totten 30 | 224.45 | 762,108 | 644,773 | - | - | - | 105,785 | 26,793 | - | 9,758 | 787,109 | 25,001 | 3.28% | 77,900 | 865,009 |
| 4001 | Billings Co 1 | 69.65 | - | 200,082 | (200,082) | - | - | - | - | - | - | (0) | (0) | 0.00% | 1,200 | 1,200 |
| 5001 | Bottineau 1 | 831.38 | 2,172,517 | 2,388,288 | - | - | - | - | - | (63,691) | - | 2,324,597 | 152,080 | 7.00% | 182,740 | 2,507,337 |
| 5017 | Westhope 17 | 172.20 | 390,536 | 494,675 | - | (68,491) | - | - | - | (8,311) | - | 417,873 | 27,337 | 7.00% | 50,430 | 468,303 |
| 5054 | Newburg-United 54 | 97.40 | 111,219 | 279,799 | - | (279,799) | - | - | 113,443 | - | 22,776 | 136,219 | 25,000 | 22.48% | 45,570 | 181,789 |
| 6001 | Bowman 1 | 436.29 | 1,158,102 | 1,253,321 | - | - | - | - | - | (14,153) | - | 1,239,168 | 81,067 | 7.00% | 99,370 | 1,338,538 |
| 6017 | Rhame 17 | 112.08 | 221,520 | 321,970 | - | (206,797) | (40,966) | - | 151,743 | - | 20,570 | 246,519 | 24,999 | 11.29% | 33,200 | 279,719 |
| 6033 | Scranton 33 | 211.91 | 500,022 | 608,749 | - | (68,303) | - | - | - | (5,424) | - | 535,022 | 35,000 | 7.00% | 53,280 | 588,302 |
| 7014 | Bowbells 14 | 108.39 | 221,168 | 311,370 | - | (148,930) | - | - | 63,152 | - | 20,577 | 246,169 | 25,000 | 11.30% | 37,080 | 283,249 |
| 7027 | Powers Lake 27 | 126.53 | 332,558 | 363,480 | - | - | - | - | - | (7,644) | 1,721 | 357,558 | 25,000 | 7.52% | 38,020 | 395,578 |
| 7036 | Burke Central 36 | 116.48 | 225,356 | 334,610 | - | (208,132) | (36,714) | - | 140,100 | - | 20,493 | 250,356 | 25,000 | 11.09% | 44,650 | 295,006 |
| 8001 | Bismarck 1 | 10,989.46 | 30,991,890 | 31,569,192 | - | - | - | 1,653,615 | - | - | - | 33,222,807 | 2,230,917 | 7.20% | 2,334,850 | 35,557,657 |
| 8025 | Naughton 25 | 5.31 | 32,920 | 15,254 | - | (15,254) | - | - | 33,578 | - | - | 33,578 | 658 | 2.00% | 3,600 | 37,178 |
| 8028 | Wing 28 | 99.85 | 267,453 | 286,837 | - | (24,656) | - | - | 10,621 | - | 19,651 | 292,453 | 25,000 | 9.35% | 34,200 | 326,653 |
| 8029 | Baldwin 29 | 25.91 | 62,718 | 74,431 | - | (27,129) | - | - | 16,671 | - | - | 63,973 | 1,254 | 2.00% | 6,600 | 70,573 |
| 8033 | Menoken 33 | 21.68 | - | 62,280 | (62,280) | - | - | - | - | - | - | (0) | (0) | 0.00% | 6,600 | 6,600 |
| 8035 | Sterling 35 | 44.33 | 74,402 | 127,346 | - | (127,346) | - | - | 75,890 | - | 23,512 | 99,402 | 25,000 | 33.60% | 13,600 | 113,002 |
| 8039 | Apple Creek 39 | 63.78 | 174,831 | 183,219 | - | (77,125) | - | - | 72,233 | - | 21,503 | 199,831 | 25,000 | 14.30% | 15,300 | 215,131 |
| 8045 | Manning 45 | 5.54 | 17,710 | 15,915 | - | (12,666) | - | - | 14,815 | - | - | 18,064 | 354 | 2.00% | 3,600 | 21,664 |
| 9001 | Fargo 1 | 11,603.81 | 29,510,439 | 33,334,023 | - | - | - | - | - | (1,757,829) | - | 31,576,194 | 2,065,755 | 7.00% | 2,439,100 | 34,015,294 |
| 9002 | Kindred 2 | 737.29 | 1,887,132 | 2,117,998 | - | - | - | - | - | (98,768) | - | 2,019,230 | 132,097 | 7.00% | 155,370 | 2,174,600 |
| 9004 | Maple Valley 4 | 343.49 | 743,368 | 986,737 | - | (227,883) | - | - | - | - | 9,514 | 768,367 | 25,000 | 3.36% | 101,770 | 870,137 |
| 9006 | West Fargo 6 | 5,772.38 | 15,161,058 | 16,582,196 | - | - | - | - | - | (359,882) | - | 16,222,313 | 1,061,256 | 7.00% | 1,153,310 | 17,375,623 |
| 9007 | Mapleton 7 | 105.90 | 284,303 | 304,217 | - | (97,540) | - | - | 83,313 | - | 19,314 | 309,303 | 25,000 | 8.79% | 33,540 | 342,843 |
| 9017 | Central Cass 17 | 898.90 | 2,347,761 | 2,582,251 | - | - | - | - | - | (70,143) | - | 2,512,109 | 164,348 | 7.00% | 184,960 | 2,697,069 |
| 9080 | Page 80 | 148.73 | 326,258 | 427,254 | - | (65,776) | - | - | - | (12,383) | 2,162 | 351,257 | 24,999 | 7.66% | 37,920 | 389,177 |
| 9097 | Northern Cass | 506.06 | 1,207,842 | 1,453,748 | - | - | - | - | - | (161,355) | - | 1,292,393 | 84,551 | 7.00% | 122,130 | 1,414,523 |
| 10014 | Border Central 14 | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 10019 | Munich 19 | 147.36 | 321,971 | 423,318 | - | (39,088) | - | - | - | (39,721) | 2,462 | 346,971 | 25,000 | 7.76% | 32,930 | 379,901 |
| 10023 | Langdon Area 23 | 524.26 | 1,212,484 | 1,506,031 | - | - | - | - | - | (208,675) | - | 1,297,356 | 84,872 | 7.00% | 130,980 | 1,428,336 |
| 11040 | Ellendale 40 | 388.68 | 998,389 | 1,116,553 | - | - | - | - | - | (48,275) | - | 1,068,278 | 69,889 | 7.00% | 106,220 | 1,174,498 |
| 11041 | Oakes 41 | 562.69 | 1,478,085 | 1,616,428 | - | - | - | 51,095 | - | (34,876) | - | 1,632,646 | 154,561 | 10.46% | 120,930 | 1,753,576 |
| 12001 | Divide County 1 | 343.67 | 854,753 | 987,254 | - | (87,658) | (22,673) | - | - | - | 2,829 | 879,752 | 24,999 | 2.92% | 80,310 | 960,062 |

ND Govenor's Commission on Education Improvement
Year 1 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | 25,000 minimum w/30 + Students | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13008 | Dodge 8 | 39.78 | 102,139 | 114,275 | - | - | - | - | - | (4,986) | - | 109,289 | 7,150 | 7.00% | 15,790 | 125,079 |
| 13016 | Killdeer 16 | 430.04 | 1,021,458 | 1,235,367 | - | - | - | - | - | (142,408) | - | 1,092,959 | 71,501 | 7.00% | 107,260 | 1,200,219 |
| 13019 | Halliday 19 | 38.43 | 56,912 | 110,397 | - | (110,397) | - | - | 58,050 | - | - | 58,050 | 1,138 | 2.00% | 19,170 | 77,220 |
| 13037 | Twin Buttes 37 | 57.49 | 179,767 | 165,150 | - | - | (3,570) | 27,644 | - | - | 15,542 | 204,767 | 25,000 | 13.91% | 660 | 205,427 |
| 14001 | New Rockford 1 | 425.21 | 1,139,033 | 1,221,492 | - | - | - | 99,055 | - | (2,728) | - | 1,317,818 | 178,785 | 15.70% | 78,800 | 1,396,618 |
| 14012 | Sheyenne 12 | 128.89 | 331,183 | 370,260 | - | - | - | - | - | (15,894) | 1,817 | 356,183 | 25,000 | 7.55% | 33,750 | 389,933 |
| 15006 | Hazelton-Moffit-Braddock 6 | 186.09 | 419,463 | 534,577 | - | (22,037) | - | - | - | (63,714) | - | 448,826 | 29,363 | 7.00% | 50,310 | 499,136 |
| 15010 | Bakker 10 | 5.26 | 8,477 | 15,110 | - | (15,110) | - | - | 8,647 | - | - | 8,647 | 170 | 2.00% | 1,000 | 9,647 |
| 15015 | Strasburg 15 | 243.48 | 628,630 | 699,440 | - | - | (30,615) | - | - | - | - | 668,825 | 40,194 | 6.39% | 48,420 | 717,245 |
| 15036 | Linton 36 | 392.38 | 1,015,286 | 1,127,182 | - | - | - | - | - | (40,825) | - | 1,086,357 | 71,071 | 7.00% | 88,290 | 1,174,647 |
| 16049 | Carrington 49 | 721.15 | 1,796,719 | 2,071,633 | - | - | - | - | - | (149,146) | - | 1,922,487 | 125,768 | 7.00% | 138,000 | 2,060,487 |
| 17003 | Beach 3 | 376.76 | 997,492 | 1,082,311 | - | - | (5,404) | - | - | (9,592) | - | 1,067,315 | 69,823 | 7.00% | 107,890 | 1,175,205 |
| 17006 | Lone Tree 6 | 70.84 | 160,504 | 203,501 | - | (67,612) | - | - | 27,825 | - | 21,790 | 185,504 | 25,000 | 15.58% | 17,820 | 203,324 |
| 18001 | Grand Forks 1 | 8,020.23 | 21,350,738 | 23,039,547 | - | - | - | - | - | (194,261) | - | 22,845,286 | 1,494,548 | 7.00% | 2,050,250 | 24,895,536 |
| 18044 | Larimore 44 | 553.36 | 1,566,383 | 1,589,626 | - | - | - | 185,252 | - | - | - | 1,774,878 | 208,495 | 13.31% | 138,200 | 1,913,078 |
| 18061 | Thompson 61 | 460.76 | 1,227,468 | 1,323,616 | - | - | - | 47,668 | - | (10,224) | - | 1,361,060 | 133,592 | 10.88% | 88,720 | 1,449,780 |
| 18125 | Manvel 125 | 214.15 | 596,918 | 615,184 | - | - | - | - | - | - | 6,733 | 621,917 | 25,000 | 4.19% | 48,420 | 670,337 |
| 18127 | Emerado 127 | 135.76 | 344,822 | 389,995 | - | - | - | - | - | (21,035) | 862 | 369,822 | 25,000 | 7.25% | 40,620 | 410,442 |
| 18128 | Midway 128 | 308.30 | 758,913 | 885,647 | - | - | - | - | - | (73,609) | - | 812,038 | 53,125 | 7.00% | 77,130 | 889,168 |
| 18129 | Northwood 129 | 366.63 | 971,682 | 1,053,210 | - | - | - | - | - | (13,509) | - | 1,039,701 | 68,019 | 7.00% | 77,500 | 1,117,201 |
| 18140 | Grand Forks AFB 1 | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 19018 | Roosevelt 18 | 201.20 | 529,879 | 577,983 | - | - | - | 47,520 | - | (11,013) | - | 614,490 | 84,611 | 15.97% | 35,790 | 650,280 |
| 19049 | Elgin-New Leipzig 49 | 225.69 | 567,685 | 648,335 | - | - | - | - | - | (40,912) | - | 607,423 | 39,737 | 7.00% | 58,000 | 665,423 |
| 20007 | Midkota 7 | 195.25 | 397,860 | 560,891 | - | (217,819) | - | - | 62,745 | - | 17,043 | 422,859 | 24,999 | 6.28% | 56,480 | 479,339 |
| 20018 | Griggs County Central 18 | 382.64 | 967,139 | 1,099,202 | - | - | - | - | - | (64,364) | - | 1,034,838 | 67,699 | 7.00% | 80,980 | 1,115,818 |
| 21001 | Mott-Regent 1 | 333.34 | 808,163 | 957,579 | - | - | (25,742) | - | - | (67,103) | - | 864,734 | 56,572 | 7.00% | 75,890 | 940,624 |
| 21009 | New England 9 | 247.81 | 572,210 | 711,879 | - | (17,225) | - | - | - | (82,388) | - | 612,265 | 40,055 | 7.00% | 59,320 | 671,585 |
| 22011 | Pettibone-Tuttle 11 | 14.73 | 9,064 | 42,315 | - | (42,315) | - | - | 9,245 | - | - | 9,245 | 181 | 2.00% | 9,330 | 18,575 |
| 22014 | Robinson 14 | 24.74 | 43,479 | 71,070 | - | (71,070) | - | - | 44,348 | - | - | 44,348 | 870 | 2.00% | 8,700 | 53,048 |
| 22020 | Tuttle-Pettibone 20 | 48.59 | 86,652 | 139,583 | - | (104,486) | - | - | 53,287 | - | 23,267 | 111,652 | 25,000 | 28.85% | 23,500 | 135,152 |
| 22026 | Steele-Dawson 26 | 337.76 | 874,858 | 970,276 | - | - | - | - | - | (34,177) | - | 936,099 | 61,241 | 7.00% | 85,500 | 1,021,599 |
| 22028 | Tappen 28 | 133.80 | 342,229 | 384,364 | - | - | - | - | - | (18,180) | 1,044 | 367,228 | 25,000 | 7.30% | 37,240 | 404,468 |
| 23003 | Edgeley 3 | 304.19 | 740,988 | 873,840 | - | - | - | - | - | (80,982) | - | 792,858 | 51,870 | 7.00% | 77,770 | 870,628 |
| 23007 | Kulm 7 | 174.10 | 326,656 | 500,133 | - | (287,748) | (17,105) | - | 137,910 | - | 18,467 | 351,657 | 25,001 | 7.65% | 48,280 | 399,937 |
| 23008 | LaMoure 8 | 371.61 | 994,290 | 1,067,516 | - | - | - | - | - | (3,625) | - | 1,063,891 | 69,601 | 7.00% | 97,800 | 1,161,691 |
| 23011 | Verona 11 | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 24002 | Napoleon 2 | 299.32 | 780,812 | 859,850 | - | - | - | - | - | (24,381) | - | 835,469 | 54,657 | 7.00% | 72,900 | 908,369 |
| 24056 | Gackle-Streeter 56 | 145.86 | 270,864 | 419,009 | - | (231,820) | (28,650) | - | 117,742 | - | 19,583 | 295,863 | 25,000 | 9.23% | 42,270 | 338,133 |
| 25001 | Velva 1 | 449.67 | 1,133,976 | 1,291,758 | - | - | (11,551) | - | - | (66,850) | - | 1,213,356 | 79,380 | 7.00% | 101,300 | 1,314,656 |
| 25014 | Anamoose 14 | 117.14 | 300,656 | 336,506 | - | - | - | - | - | (14,803) | 3,954 | 325,656 | 25,000 | 8.32% | 27,730 | 353,386 |
| 25057 | Drake 57 | 175.63 | 391,041 | 504,529 | - | (35,656) | - | - | - | (50,458) | - | 418,415 | 27,374 | 7.00% | 45,550 | 463,965 |
| 25060 | TGU 60 | 416.48 | 1,045,666 | 1,196,413 | - | (196,715) | (83,200) | - | 150,079 | - | 4,087 | 1,070,665 | 24,998 | 2.39% | 115,890 | 1,186,555 |
| 26004 | Zeeland 4 | 86.51 | 171,100 | 248,515 | - | (166,356) | (12,738) | - | 105,101 | - | 21,578 | 196,100 | 25,000 | 14.61% | 32,700 | 228,800 |

ND Govenor's Commission on Education Improvement
Year 1 Based on 2005-2006 Payment Year

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 26009 | Ashley 9 | 210.63 | 500,507 | 605,072 | - | - | - | - | - | (69,529) | - | 535,543 | 35,036 | 7.00% | 51,260 | 586,803 |
| 26019 | Wishek 19 | 307.70 | 783,024 | 883,923 | - | - | - | - | - | (46,089) | - | 837,834 | 54,810 | 7.00% | 63,420 | 901,254 |
| 27001 | McKenzie Co 1 | 612.85 | 1,549,640 | 1,760,521 | - | - | (50,948) | - | - | (51,458) | - | 1,658,115 | 108,475 | 7.00% | 151,630 | 1,809,745 |
| 27002 | Alexander 2 | 73.39 | 116,663 | 210,826 | - | (210,826) | - | - | 118,996 | - | 22,667 | 141,663 | 25,000 | 21.43% | 26,040 | 167,703 |
| 27014 | Yellowstone 14 | 106.24 | 271,240 | 305,193 | - | - | - | - | - | (14,966) | 6,013 | 296,240 | 25,000 | 9.22% | 21,210 | 317,450 |
| 27018 | Earl | 17.95 | - | 51,565 | (51,565) | - | - | - | - | - | - | (0) | (0) | 0.00% | 3,600 | 3,600 |
| 27019 | Bowline Butte | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 27032 | Horse Creek 32 | 7.98 | - | 22,924 | (22,924) | - | - | - | - | - | - | 0 | 0 | 0.00% | 1,180 | 1,180 |
| 27036 | Mandaree 36 | 240.36 | 791,808 | 690,477 | - | - | (10,879) | 114,418 | 13,628 | - | 9,164 | 816,808 | 25,000 | 3.16% | 85,900 | 902,708 |
| 28001 | Montefiore 1 | 264.07 | 749,045 | 758,588 | - | - | - | - | 5,438 | - | 10,019 | 774,045 | 25,000 | 3.34% | 56,200 | 830,245 |
| 28004 | Washburn 4 | 369.91 | 969,608 | 1,062,633 | - | - | (23,107) | - | - | (2,045) | - | 1,037,481 | 67,872 | 7.00% | 69,500 | 1,106,981 |
| 28008 | Underwood 8 | 283.95 | 687,843 | 815,697 | - | - | - | - | - | (79,705) | - | 735,992 | 48,149 | 7.00% | 70,450 | 806,442 |
| 28050 | Max 50 | 210.53 | 533,208 | 604,785 | - | - | (2,563) | - | - | (31,690) | - | 570,532 | 37,324 | 7.00% | 51,900 | 622,432 |
| 28051 | Garrison 51 | 391.59 | 990,439 | 1,124,912 | - | - | - | - | - | (65,145) | - | 1,059,767 | 69,329 | 7.00% | 90,510 | 1,150,277 |
| 28072 | Turtle Lake-Mercer 72 | 232.29 | 535,897 | 667,295 | - | (16,421) | - | - | - | (77,463) | - | 573,411 | 37,514 | 7.00% | 72,110 | 645,521 |
| 28085 | White Shield 85 | 151.76 | 477,096 | 435,958 | - | - | - | 72,983 | - | - | - | 508,941 | 31,846 | 6.67% | 56,150 | 565,091 |
| 29003 | Hazen 3 | 745.10 | 2,142,425 | 2,140,433 | - | - | - | 491,208 | - | - | - | 2,631,641 | 489,216 | 22.83% | 147,000 | 2,778,641 |
| 29020 | Golden Valley 20 | 56.85 | 131,321 | 163,312 | - | (45,640) | - | - | 16,275 | - | 22,374 | 156,321 | 25,000 | 19.04% | 22,860 | 179,181 |
| 29027 | Beulah 27 | 848.58 | 2,254,312 | 2,437,698 | - | - | - | 12,322 | - | (25,584) | - | 2,424,436 | 170,125 | 7.55% | 193,440 | 2,617,876 |
| 30001 | Mandan 1 | 3,352.65 | 9,408,245 | 9,631,088 | - | - | - | 1,124,407 | - | - | - | 10,755,495 | 1,347,250 | 14.32% | 713,410 | 11,468,905 |
| 30004 | Little Heart 4 | 30.85 | 72,179 | 88,622 | - | (30,439) | - | - | 15,439 | - | - | 73,622 | 1,444 | 2.00% | 9,900 | 83,522 |
| 30007 | New Salem 7 | 412.24 | 1,097,439 | 1,184,233 | - | - | - | 145,732 | - | (9,972) | - | 1,319,993 | 222,555 | 20.28% | 78,860 | 1,398,853 |
| 30008 | Sims 8 | 31.89 | 5,105 | 91,610 | (37,377) | (54,233) | - | - | 5,207 | - | - | 5,207 | 102 | 2.00% | 10,800 | 16,007 |
| 30013 | Hebron 13 | 204.40 | 523,255 | 587,176 | - | - | - | - | - | (27,294) | - | 559,882 | 36,627 | 7.00% | 53,620 | 613,502 |
| 30017 | Sweet Briar 17 | 13.29 | 17,083 | 38,178 | - | (12,620) | (15,534) | - | 7,402 | - | - | 17,425 | 342 | 2.00% | 3,000 | 20,425 |
| 30039 | Flasher 39 | 270.65 | 743,944 | 777,491 | - | - | - | 37,798 | - | - | - | 815,289 | 71,344 | 9.59% | 57,200 | 872,489 |
| 30048 | Glen Ullin 48 | 268.68 | 687,280 | 771,831 | - | - | - | - | - | (36,441) | - | 735,390 | 48,110 | 7.00% | 57,650 | 793,040 |
| 31001 | New Town 1 | 748.68 | 2,339,965 | 2,150,717 | - | - | - | 463,003 | - | - | - | 2,613,720 | 273,755 | 11.70% | 174,620 | 2,788,340 |
| 31002 | Stanley 2 | 385.14 | 1,002,347 | 1,106,384 | - | - | - | - | - | (33,873) | - | 1,072,510 | 70,163 | 7.00% | 101,110 | 1,173,620 |
| 31003 | Parshall 3 | 337.20 | 821,175 | 968,667 | - | - | - | 52,677 | - | (90,012) | - | 931,332 | 110,158 | 13.41% | 76,000 | 1,007,332 |
| 32001 | Dakota Prairie 1 | 374.53 | 822,476 | 1,075,905 | - | (122,799) | - | - | - | (73,057) | - | 880,049 | 57,573 | 7.00% | 93,500 | 973,549 |
| 32066 | Lakota 66 | 314.24 | 813,937 | 902,711 | - | - | - | - | - | (31,800) | - | 870,910 | 56,974 | 7.00% | 79,000 | 949,910 |
| 33001 | Center-Stanton 1 | 348.72 | 926,269 | 1,001,761 | - | - | - | - | - | (10,652) | - | 991,109 | 64,840 | 7.00% | 85,750 | 1,076,859 |
| 34006 | Cavalier 6 | 575.51 | 1,472,793 | 1,653,256 | - | - | - | 21,577 | - | (77,367) | - | 1,597,466 | 124,673 | 8.47% | 129,610 | 1,727,076 |
| 34012 | Valley 12 | 195.51 | 489,523 | 561,638 | - | - | - | - | - | (37,849) | - | 523,788 | 34,266 | 7.00% | 61,950 | 585,738 |
| 34019 | Drayton 19 | 204.89 | 421,598 | 588,583 | - | (188,228) | - | - | 29,675 | - | 16,568 | 446,598 | 25,000 | 5.93% | 61,630 | 508,228 |
| 34043 | St Thomas 43 | 146.03 | 337,243 | 419,497 | - | (5,356) | - | - | - | (53,291) | 1,393 | 362,243 | 25,000 | 7.41% | 36,430 | 398,673 |
| 34100 | North Border 100 | 655.52 | 1,524,552 | 1,883,099 | - | - | - | - | - | (251,831) | - | 1,631,268 | 106,716 | 7.00% | 159,130 | 1,790,398 |
| 35001 | Wolford 1 | 72.81 | 163,222 | 209,160 | - | (51,802) | - | - | 9,128 | - | 21,736 | 188,222 | 25,000 | 15.32% | 31,350 | 219,572 |
| 35005 | Rugby 5 | 588.32 | 1,471,957 | 1,690,055 | - | - | - | - | - | (115,058) | - | 1,574,996 | 103,040 | 7.00% | 148,130 | 1,723,126 |
| 36001 | Devils Lake 1 | 1,946.90 | 5,735,490 | 5,592,819 | - | - | - | 1,935,562 | - | - | - | 7,528,381 | 1,792,891 | 31.26% | 479,100 | 8,007,481 |
| 36002 | Edmore 2 | 117.78 | 153,204 | 338,344 | - | (309,121) | (21,289) | - | 148,334 | - | 21,936 | 178,205 | 25,000 | 16.32% | 30,590 | 208,795 |
| 36044 | Starkweather 44 | 124.31 | 272,336 | 357,103 | - | (71,984) | - | - | - | - | 12,217 | 297,336 | 25,000 | 9.18% | 31,110 | 328,446 |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 37002 | Sheldon 2 | 37.25 | 86,724 | 107,007 | - | (86,993) | - | - | 68,445 | - | - | 88,459 | 1,735 | 2.00% | 11,820 | 100,279 |
| 37006 | Ft Ransom 6 | 19.85 | 56,074 | 57,023 | - | (57,023) | - | - | 57,196 | - | - | 57,196 | 1,122 | 2.00% | 6,090 | 63,286 |
| 37019 | Lisbon 19 | 676.67 | 1,829,289 | 1,943,856 | - | - | - | 183,572 | - | - | - | 2,127,428 | 298,139 | 16.30% | 152,380 | 2,279,808 |
| 37022 | Enderlin 22 | 371.17 | 940,359 | 1,066,252 | - | - | - | - | - | (60,068) | - | 1,006,184 | 65,826 | 7.00% | 90,460 | 1,096,644 |
| 38001 | Mohall-Lansford-Sherwood 1 | 449.68 | 988,566 | 1,291,786 | - | (272,044) | - | - | - | - | - | 1,019,742 | 31,176 | 3.15% | 116,660 | 1,136,402 |
| 38026 | Glenburn 26 | 339.59 | 954,289 | 975,533 | - | - | (36,934) | - | 34,775 | - | 5,914 | 979,289 | 24,999 | 2.62% | 86,630 | 1,065,919 |
| 39005 | Mantador 5 | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 39008 | Hankinson 8 | 366.97 | 920,066 | 1,054,187 | - | - | - | - | - | (69,715) | - | 984,472 | 64,406 | 7.00% | 88,830 | 1,073,302 |
| 39018 | Fairmount 18 | 142.09 | 271,086 | 408,179 | - | (202,568) | - | - | 70,896 | - | 19,578 | 296,085 | 24,999 | 9.22% | 39,380 | 335,465 |
| 39028 | Lidgerwood 28 | 264.43 | 698,948 | 759,623 | - | - | - | - | - | (11,747) | - | 747,876 | 48,927 | 7.00% | 64,040 | 811,916 |
| 39037 | Wahpeton 37 | 1,485.23 | 4,053,025 | 4,266,589 | - | - | - | 282,086 | - | - | - | 4,548,675 | 495,650 | 12.23% | 337,450 | 4,886,125 |
| 39042 | Wyndmere 42 | 310.92 | 743,716 | 893,173 | - | - | - | - | - | (97,399) | - | 795,774 | 52,059 | 7.00% | 71,320 | 867,094 |
| 39044 | Richland 44 | 380.01 | 996,987 | 1,091,647 | - | - | - | - | - | (24,871) | - | 1,066,776 | 69,789 | 7.00% | 77,470 | 1,144,246 |
| 40001 | Dunseith 1 | 444.10 | 1,919,161 | 1,275,757 | - | - | - | 259,267 | 422,520 | - | - | 1,957,544 | 38,382 | 2.00% | 159,740 | 2,117,284 |
| 40003 | St John 3 | 357.30 | 1,117,834 | 1,026,408 | - | - | - | 187,561 | - | - | - | 1,213,970 | 96,136 | 8.60% | 88,050 | 1,302,020 |
| 40004 | Mt Pleasant 4 | 358.56 | 950,719 | 1,030,028 | - | - | - | - | - | (12,759) | - | 1,017,269 | 66,550 | 7.00% | 78,750 | 1,096,019 |
| 40007 | Belcourt 7 | 1,707.03 | 5,676,103 | 4,903,749 | - | - | (50,178) | 1,019,002 | - | - | - | 5,872,573 | 196,470 | 3.46% | 361,980 | 6,234,553 |
| 40029 | Rolette 29 | 239.09 | 630,592 | 686,829 | - | - | - | - | - | (12,095) | - | 674,734 | 44,143 | 7.00% | 55,910 | 730,644 |
| 41002 | Milnor 2 | 352.78 | 984,469 | 1,013,424 | - | - | - | 162,304 | - | - | - | 1,175,727 | 191,258 | 19.43% | 67,640 | 1,243,367 |
| 41003 | N Sargent 3 | 267.01 | 760,040 | 767,034 | - | - | - | 48,890 | - | - | - | 815,924 | 55,885 | 7.35% | 62,310 | 878,234 |
| 41006 | Sargent Central 6 | 355.15 | 805,720 | 1,020,232 | - | - | - | - | - | (158,110) | - | 862,122 | 56,402 | 7.00% | 84,690 | 946,812 |
| 42016 | Goodrich 16 | 60.20 | 118,727 | 172,935 | - | (68,490) | - | - | 16,657 | - | 22,625 | 143,728 | 25,000 | 21.06% | 22,500 | 166,228 |
| 42019 | McClusky 19 | 127.86 | 294,618 | 367,301 | - | (3,686) | - | - | - | (48,373) | 4,377 | 319,618 | 24,999 | 8.49% | 37,790 | 357,408 |
| 43003 | Solen 3 | 198.11 | 660,279 | 569,106 | - | - | - | 158,251 | - | - | - | 727,358 | 67,079 | 10.16% | 61,000 | 788,358 |
| 43004 | Ft Yates 4 | 206.93 | 964,871 | 594,443 | - | - | - | 95,094 | 294,631 | - | 5,703 | 989,871 | 25,000 | 2.59% | 76,400 | 1,066,271 |
| 43008 | Selfridge 8 | 126.88 | 83,901 | 364,486 | (159,354) | - | - | 18,195 | - | (115,358) | 931 | 108,901 | 25,000 | 29.80% | 32,000 | 140,901 |
| 44012 | Marmarth 12 | 21.21 | - | 60,930 | (44,035) | (16,895) | - | - | - | - | - | (0) | (0) | 0.00% | 6,160 | 6,160 |
| 44032 | Central Elementary 32 | 5.31 | - | 15,254 | (15,254) | - | - | - | - | - | - | 0 | 0 | 0.00% | 3,910 | 3,910 |
| 45001 | Dickinson 1 | 2,740.12 | 7,887,297 | 7,871,486 | - | - | - | 1,422,827 | - | - | - | 9,294,313 | 1,407,016 | 17.84% | 615,030 | 9,909,343 |
| 45009 | South Heart 9 | 312.08 | 875,991 | 896,506 | - | - | (921) | 45,664 | - | - | - | 941,249 | 65,258 | 7.45% | 62,180 | 1,003,429 |
| 45013 | Belfield 13 | 296.29 | 864,833 | 851,146 | - | - | - | 251,935 | - | - | - | 1,103,081 | 238,248 | 27.55% | 62,050 | 1,165,131 |
| 45034 | Richardton-Taylor 34 | 348.25 | 914,213 | 1,000,411 | - | - | - | - | - | (22,204) | - | 978,207 | 63,994 | 7.00% | 85,650 | 1,063,857 |
| 46010 | Hope 10 | 185.39 | 407,261 | 532,566 | - | - | - | - | - | (96,797) | - | 435,769 | 28,509 | 7.00% | 38,890 | 474,659 |
| 46019 | Finley-Sharon 19 | 239.95 | 578,742 | 689,299 | - | - | - | - | - | (70,045) | - | 619,255 | 40,513 | 7.00% | 57,920 | 677,175 |
| 47001 | Jamestown 1 | 2,549.04 | 7,131,817 | 7,322,574 | - | - | - | 1,105,922 | - | - | - | 8,428,496 | 1,296,679 | 18.18% | 586,730 | 9,015,226 |
| 47003 | Medina 3 | 208.94 | 503,888 | 600,218 | - | - | - | - | - | (61,057) | - | 539,160 | 35,272 | 7.00% | 52,040 | 591,200 |
| 47010 | Pingree-Buchanan | 205.91 | 512,955 | 591,513 | - | - | - | - | - | (42,652) | - | 548,862 | 35,906 | 7.00% | 47,680 | 596,542 |
| 47014 | Montpelier 14 | 139.51 | 335,653 | 400,767 | - | - | - | - | - | (41,619) | 1,504 | 360,653 | 25,000 | 7.45% | 44,550 | 405,203 |
| 47019 | Kensal 19 | 89.00 | 167,882 | 255,668 | - | (140,349) | - | - | 55,920 | - | 21,642 | 192,882 | 25,000 | 14.89% | 22,130 | 215,012 |
| 47026 | Spiritwood 26 | 18.05 | - | 51,852 | (51,852) | - | - | - | - | - | - | 0 | 0 | 0.00% | - | 0 |
| 48002 | Bisbee-Egeland 2 | 106.91 | 190,684 | 307,118 | - | (204,981) | - | - | 92,360 | - | 21,186 | 215,684 | 25,000 | 13.11% | 34,940 | 250,624 |
| 48008 | Southern 8 | 295.73 | 766,400 | 849,537 | - | - | - | - | - | (29,490) | - | 820,047 | 53,647 | 7.00% | 64,560 | 884,607 |
| 48028 | North Central 28 | 85.49 | 204,947 | 245,585 | - | (107,051) | - | - | 70,511 | - | 20,901 | 229,947 | 25,000 | 12.20% | 33,900 | 263,847 |

ND Govenor's Commission on Education Improvement
Year 1 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | 25,000 minimum w/30 + Students | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 49003 | Central Valley 3 | 351.69 | 844,392 | 1,010,293 | - | - | - | - | - | (106,791) | - | 903,501 | 59,109 | 7.00% | 65,690 | 969,191 |
| 49007 | Hatton 7 | 301.19 | 829,985 | 865,222 | - | - | - | - | - | - | - | 865,222 | 35,237 | 4.25% | 63,060 | 928,282 |
| 49009 | Hillsboro 9 | 452.76 | 1,139,547 | 1,300,634 | - | - | - | - | - | (81,319) | - | 1,219,315 | 79,768 | 7.00% | 102,440 | 1,321,755 |
| 49014 | May-Port CG 14 | 609.79 | 1,521,556 | 1,751,731 | - | - | - | - | - | (123,668) | - | 1,628,063 | 106,507 | 7.00% | 151,160 | 1,779,223 |
| 50003 | Grafton 3 | 1,027.25 | 3,013,239 | 2,950,960 | - | - | - | 725,086 | - | - | - | 3,676,046 | 662,806 | 22.00% | 210,080 | 3,886,126 |
| 50005 | Fordville-Lankin 5 | 154.98 | 358,303 | 445,208 | - | - | - | - | - | (61,824) | - | 383,384 | 25,081 | 7.00% | 41,340 | 424,724 |
| 50020 | Minto 20 | 284.72 | 761,996 | 817,909 | - | - | - | - | - | (2,573) | - | 815,336 | 53,340 | 7.00% | 71,180 | 886,516 |
| 50051 | Nash 51 | 23.55 | 44,485 | 67,652 | - | (56,577) | - | - | 34,300 | - | - | 45,374 | 890 | 2.00% | 980 | 46,354 |
| 50078 | Park River 78 | 439.03 | 1,180,781 | 1,261,192 | - | - | - | 94,422 | - | - | - | 1,355,615 | 174,834 | 14.81% | 106,790 | 1,462,405 |
| 50106 | Edinburg 106 | 168.90 | 453,427 | 485,196 | - | - | - | 30,548 | - | (28) | - | 515,716 | 62,288 | 13.74% | 42,650 | 558,366 |
| 50128 | Adams 128 | 97.95 | 232,619 | 281,379 | - | (3,524) | - | - | - | (28,953) | 8,717 | 257,619 | 25,000 | 10.75% | 33,960 | 291,579 |
| 51001 | Minot 1 | 7,098.34 | 19,517,193 | 20,391,253 | - | - | - | 244,349 | - | - | - | 20,635,602 | 1,118,409 | 5.73% | 1,661,650 | 22,297,252 |
| 51004 | Nedrose 4 | 266.38 | 701,345 | 765,224 | - | - | - | - | - | (14,783) | - | 750,441 | 49,095 | 7.00% | 55,620 | 806,061 |
| 51007 | United 7 | 629.33 | 1,727,155 | 1,807,863 | - | - | - | 268,272 | - | - | - | 2,076,135 | 348,980 | 20.21% | 128,860 | 2,204,995 |
| 51010 | Bell 10 | 174.56 | 486,606 | 501,455 | - | - | - | - | - | - | 10,152 | 511,607 | 25,001 | 5.14% | 34,650 | 546,257 |
| 51016 | Sawyer 16 | 161.99 | 408,256 | 465,345 | - | - | - | - | - | (28,512) | - | 436,833 | 28,577 | 7.00% | 44,620 | 481,453 |
| 51019 | Eureka 19 | 11.96 | 6,819 | 34,357 | (10,226) | (24,132) | - | - | 6,955 | - | - | 6,955 | 136 | 2.00% | 5,880 | 12,835 |
| 51028 | Kenmare 28 | 345.20 | 847,890 | 991,649 | - | - | - | - | - | (84,406) | - | 907,243 | 59,353 | 7.00% | 80,320 | 987,563 |
| 51041 | Surrey 41 | 412.89 | 1,189,148 | 1,186,100 | - | - | - | 441,379 | - | - | - | 1,627,479 | 438,331 | 36.86% | 90,630 | 1,718,109 |
| 51070 | S Prairie 70 | 168.96 | 462,221 | 485,368 | - | - | - | - | - | - | 1,853 | 487,220 | 24,999 | 5.41% | 39,400 | 526,620 |
| 51160 | Minot AFB 160 | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 51161 | Lewis and Clark 161 | 498.62 | 1,144,518 | 1,432,375 | - | - | (89,065) | - | - | (118,676) | - | 1,224,634 | 80,115 | 7.00% | 117,700 | 1,342,334 |
| 52025 | Fessenden-Bowdon 25 | 245.13 | 477,433 | 704,180 | - | (339,578) | - | - | 122,379 | - | 15,451 | 502,432 | 24,999 | 5.24% | 61,470 | 563,902 |
| 52035 | Pleasant Valley 3 | 25.39 | 35,891 | 72,937 | - | (67,186) | - | - | 30,858 | - | - | 36,609 | 718 | 2.00% | 8,310 | 44,919 |
| 52038 | Harvey 38 | 497.80 | 1,250,148 | 1,430,020 | - | - | - | - | - | (92,359) | - | 1,337,661 | 87,513 | 7.00% | 140,820 | 1,478,481 |
| 53001 | Williston 1 | 2,292.23 | 7,126,844 | 6,584,841 | - | - | - | 2,539,167 | - | - | - | 9,124,009 | 1,997,164 | 28.02% | 530,950 | 9,654,959 |
| 53002 | Nesson 2 | 213.81 | 529,811 | 614,208 | - | - | - | - | - | (47,310) | - | 566,897 | 37,086 | 7.00% | 58,620 | 625,517 |
| 53006 | Eight Mile 6 | 282.88 | 865,608 | 812,623 | - | - | - | 205,971 | - | - | - | 1,018,594 | 152,986 | 17.67% | 75,960 | 1,094,554 |
| 53008 | New 8 | 233.14 | 481,744 | 669,736 | - | (276,775) | - | - | 98,418 | - | 15,365 | 506,744 | 25,000 | 5.19% | 66,340 | 573,084 |
| 53015 | Tioga 15 | 310.30 | 760,445 | 891,392 | - | (14,205) | - | - | - | (63,510) | - | 813,677 | 53,232 | 7.00% | 74,990 | 888,667 |
| 53091 | Wildrose-Alamo 91 | 51.79 | 89,330 | 148,776 | - | (127,567) | - | - | 69,907 | - | 23,213 | 114,329 | 25,000 | 27.99% | 20,480 | 134,809 |
| 53099 | Grenora 99 | 103.50 | 180,895 | 297,322 | - | (259,340) | - | - | 146,531 | - | 21,382 | 205,895 | 25,000 | 13.82% | 36,250 | 242,145 |
| 99000 | Statewide | 109,248.98 | 290,907,739 | 313,837,264 | (654,947) | (7,591,394) | (688,244) | 17,490,926 | 3,944,093 | (7,470,649) | 790,691 | 319,657,739 | 28,750,000 | 9.88% | 25,370,550 | 345,028,289 |
| | Year 1 Counts <> 0 | | | | 10 | 66 | 25 | 44 | 54 | 98 | 58 | | | | | |

## ND Govenor's Commission on Education Improvement
## Year 2 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | 25,000 minimum w/30 + Students | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 400.22 | 1,053,003 | 1,182,885.39 | - | - | - | - | - | - | - | 1,182,885 | 129,882 | 12.33% | 100,860 | 1,283,745 |
| 2002 | Valley City 2 | 1,253.67 | 3,487,901 | 3,705,331.89 | - | - | - | 654,738 | - | - | - | 4,360,070 | 872,170 | 25.01% | 258,920 | 4,618,990 |
| 2046 | Litchville-Marion 46 | 237.71 | 488,718 | 702,572.80 | - | (174,199) | (61,990) | - | 42,085 | - | 5,249 | 513,718 | 25,000 | 5.12% | 66,330 | 580,048 |
| 2065 | N Central 65 | 183.55 | 347,981 | 542,498.16 | - | (326,448) | (16,170) | - | 163,772 | - | 9,329 | 372,981 | 25,000 | 7.18% | 61,680 | 434,661 |
| 2082 | Wimbledon-Courtenay 82 | 199.99 | 390,207 | 591,088.02 | - | (254,068) | - | - | 70,496 | - | 7,691 | 415,207 | 25,000 | 6.41% | 52,100 | 467,307 |
| 3005 | Minnewaukan 5 | 222.86 | 655,050 | 658,682.32 | - | - | - | 188,312 | - | - | - | 846,994 | 191,944 | 29.30% | 59,620 | 906,614 |
| 3006 | Leeds 6 | 240.79 | 566,853 | 711,676.01 | - | - | - | - | - | (61,495) | - | 650,181 | 83,328 | 14.70% | 56,460 | 706,641 |
| 3009 | Maddock 9 | 262.33 | 656,765 | 775,339.37 | - | - | - | - | - | (21,505) | - | 753,834 | 97,069 | 14.78% | 52,400 | 806,234 |
| 3016 | Oberon 16 | 47.98 | 98,060 | 141,809.11 | - | (19,306) | (39,107) | - | 26,992 | - | 12,671 | 123,060 | 25,000 | 25.49% | 22,830 | 145,890 |
| 3029 | Warwick 29 | 252.86 | 758,029 | 747,349.96 | - | - | (6,620) | 168,788 | - | - | - | 909,518 | 151,489 | 19.98% | 66,900 | 976,418 |
| 3030 | Ft Totten 30 | 224.45 | 762,108 | 663,381.71 | - | - | - | 105,785 | 15,805 | - | 2,136 | 787,108 | 25,000 | 3.28% | 77,900 | 865,008 |
| 4001 | Billings Co 1 | 70.56 | - | 208,546.28 | (208,546) | - | - | - | - | - | - | (0) | (0) | 0.00% | 1,200 | 1,200 |
| 5001 | Bottineau 1 | 836.12 | 2,172,517 | 2,471,226.16 | - | - | (32,072) | - | - | - | - | 2,439,154 | 266,637 | 12.27% | 182,740 | 2,621,894 |
| 5017 | Westhope 17 | 173.01 | 390,536 | 511,346.26 | - | (68,491) | - | - | - | - | - | 442,855 | 52,319 | 13.40% | 50,430 | 493,285 |
| 5054 | Newburg-United 54 | 98.33 | 111,219 | 290,622.96 | - | (290,623) | - | - | 115,649 | - | 20,569 | 136,219 | 25,000 | 22.48% | 45,570 | 181,789 |
| 6001 | Bowman 1 | 437.35 | 1,158,102 | 1,292,626.37 | - | - | - | - | - | - | - | 1,292,626 | 134,525 | 11.62% | 99,370 | 1,391,996 |
| 6017 | Rhame 17 | 112.65 | 221,520 | 332,946.98 | - | (206,797) | (53,022) | - | 156,197 | - | 17,195 | 246,520 | 25,000 | 11.29% | 33,200 | 279,720 |
| 6033 | Scranton 33 | 214.15 | 500,022 | 632,939.15 | - | (68,303) | - | - | - | - | - | 564,636 | 64,615 | 12.92% | 53,280 | 617,916 |
| 7014 | Bowbells 14 | 108.66 | 221,168 | 321,154.18 | - | (148,930) | - | - | 56,147 | - | 17,797 | 246,168 | 25,000 | 11.30% | 37,080 | 283,248 |
| 7027 | Powers Lake 27 | 128.14 | 332,558 | 378,729.03 | - | - | - | - | - | - | - | 378,729 | 46,171 | 13.88% | 38,020 | 416,749 |
| 7036 | Burke Central 36 | 117.50 | 225,356 | 347,281.58 | - | (208,132) | (53,839) | - | 148,839 | - | 16,207 | 250,356 | 25,000 | 11.09% | 44,650 | 295,006 |
| 8001 | Bismarck 1 | 11,060.22 | 30,991,890 | 32,689,452.45 | - | - | - | 1,653,615 | - | - | - | 34,343,068 | 3,351,178 | 10.81% | 2,334,850 | 36,677,918 |
| 8025 | Naughton 25 | 5.31 | 32,920 | 15,694.17 | - | (15,694) | - | - | 33,907 | - | - | 33,907 | 988 | 3.00% | 3,600 | 37,507 |
| 8028 | Wing 28 | 103.34 | 267,453 | 305,430.45 | - | (24,656) | (9,897) | - | 14,228 | - | 7,348 | 292,453 | 25,000 | 9.35% | 34,200 | 326,653 |
| 8029 | Baldwin 29 | 25.91 | 62,718 | 76,579.28 | - | (27,129) | - | - | 15,150 | - | - | 64,600 | 1,882 | 3.00% | 6,600 | 71,200 |
| 8033 | Menoken 33 | 21.68 | - | 64,077.15 | (64,077) | - | - | - | - | - | - | 0 | 0 | 0.00% | 6,600 | 6,600 |
| 8035 | Sterling 35 | 45.24 | 74,402 | 133,710.80 | - | (133,711) | - | - | 78,207 | - | 21,195 | 99,402 | 25,000 | 33.60% | 13,600 | 113,002 |
| 8039 | Apple Creek 39 | 63.78 | 174,831 | 188,507.40 | - | (77,125) | - | - | 68,694 | - | 19,755 | 199,831 | 25,000 | 14.30% | 15,300 | 215,131 |
| 8045 | Manning 45 | 5.54 | 17,710 | 16,373.96 | - | (12,666) | - | - | 14,533 | - | - | 18,241 | 531 | 3.00% | 3,600 | 21,841 |
| 9001 | Fargo 1 | 11,683.22 | 29,510,439 | 34,530,783.71 | - | - | - | - | - | (718,056) | - | 33,812,728 | 4,302,289 | 14.58% | 2,439,100 | 36,251,828 |
| 9002 | Kindred 2 | 740.45 | 1,887,132 | 2,188,465.06 | - | - | - | - | - | (31,706) | - | 2,156,759 | 269,627 | 14.29% | 155,370 | 2,312,129 |
| 9004 | Maple Valley 4 | 345.74 | 743,368 | 1,021,864.96 | - | (227,883) | - | - | - | - | - | 793,982 | 50,614 | 6.81% | 101,770 | 895,752 |
| 9006 | West Fargo 6 | 5,819.50 | 15,161,058 | 17,200,043.81 | - | - | - | - | - | - | - | 17,200,044 | 2,038,986 | 13.45% | 1,153,310 | 18,353,354 |
| 9007 | Mapleton 7 | 106.66 | 284,303 | 315,243.01 | - | (97,540) | - | - | 77,231 | - | 14,369 | 309,303 | 25,000 | 8.79% | 33,540 | 342,843 |
| 9017 | Central Cass 17 | 902.26 | 2,347,761 | 2,666,708.74 | - | - | - | - | - | - | - | 2,666,709 | 318,948 | 13.59% | 184,960 | 2,851,669 |
| 9080 | Page 80 | 149.94 | 326,258 | 443,160.85 | - | (65,776) | - | - | - | (3,084) | - | 374,301 | 48,043 | 14.73% | 37,920 | 412,221 |
| 9097 | Northern Cass | 510.58 | 1,207,842 | 1,509,064.07 | - | - | - | - | - | (122,261) | - | 1,386,803 | 178,961 | 14.82% | 122,130 | 1,508,933 |
| 10014 | Border Central 14 | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 10019 | Munich 19 | 147.90 | 321,971 | 437,131.45 | - | (39,088) | (14,468) | - | - | (15,830) | - | 367,746 | 45,775 | 14.22% | 32,930 | 400,676 |
| 10023 | Langdon Area 23 | 528.97 | 1,212,484 | 1,563,417.33 | - | - | - | - | - | (171,216) | - | 1,392,201 | 179,718 | 14.82% | 130,980 | 1,523,181 |
| 11040 | Ellendale 40 | 397.68 | 998,389 | 1,175,378.20 | - | - | - | - | - | (12,901) | - | 1,162,477 | 164,088 | 16.44% | 106,220 | 1,268,697 |
| 11041 | Oakes 41 | 566.13 | 1,478,085 | 1,673,246.98 | - | - | - | 51,095 | - | - | - | 1,724,342 | 246,257 | 16.66% | 120,930 | 1,845,272 |
| 12001 | Divide County 1 | 344.85 | 854,753 | 1,019,234.49 | - | (87,658) | (55,627) | - | 7,468 | - | - | 883,417 | 28,664 | 3.35% | 80,310 | 963,727 |

## ND Govenor's Commission on Education Improvement
## Year 2 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | 25,000 minimum w/30 + Students | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13008 | Dodge 8 | 40.60 | 102,139 | 119,996.87 | - | - | - | - | - | (1,367) | - | 118,630 | 16,491 | 16.15% | 15,790 | 134,420 |
| 13016 | Killdeer 16 | 432.66 | 1,021,458 | 1,278,764.66 | - | - | - | - | - | (109,265) | - | 1,169,500 | 148,042 | 14.49% | 107,260 | 1,276,760 |
| 13019 | Halliday 19 | 39.43 | 56,912 | 116,538.83 | - | (116,539) | - | - | 60,145 | - | - | 60,145 | 3,233 | 5.68% | 19,170 | 79,315 |
| 13037 | Twin Buttes 37 | 59.73 | 179,767 | 176,537.27 | - | - | (3,689) | 27,644 | - | - | 4,274 | 204,767 | 25,000 | 13.91% | 660 | 205,427 |
| 14001 | New Rockford 1 | 430.29 | 1,139,033 | 1,271,759.92 | - | - | - | 99,055 | - | - | - | 1,370,815 | 231,782 | 20.35% | 78,800 | 1,449,615 |
| 14012 | Sheyenne 12 | 131.36 | 331,183 | 388,246.03 | - | - | - | - | - | (4,137) | - | 384,109 | 52,926 | 15.98% | 33,750 | 417,859 |
| 15006 | Hazelton-Moffit-Braddock 6 | 187.84 | 419,463 | 555,177.63 | - | (22,037) | - | - | - | (51,302) | - | 481,839 | 62,376 | 14.87% | 50,310 | 532,149 |
| 15010 | Bakker 10 | 5.26 | 8,477 | 15,546.39 | - | (15,546) | - | - | 8,732 | - | - | 8,732 | 254 | 3.00% | 1,000 | 9,732 |
| 15015 | Strasburg 15 | 245.29 | 628,630 | 724,976.16 | - | - | (45,235) | - | - | - | - | 679,741 | 51,110 | 8.13% | 48,420 | 728,161 |
| 15036 | Linton 36 | 395.38 | 1,015,286 | 1,168,580.35 | - | - | - | - | - | (4,350) | - | 1,164,231 | 148,944 | 14.67% | 88,290 | 1,252,521 |
| 16049 | Carrington 49 | 725.68 | 1,796,719 | 2,144,811.03 | - | - | - | - | - | (87,304) | - | 2,057,507 | 260,788 | 14.51% | 138,000 | 2,195,507 |
| 17003 | Beach 3 | 380.46 | 997,492 | 1,124,482.97 | - | - | (25,418) | - | - | - | - | 1,099,065 | 101,573 | 10.18% | 107,890 | 1,206,955 |
| 17006 | Lone Tree 6 | 70.84 | 160,504 | 209,373.85 | - | (67,612) | - | - | 23,556 | - | 20,185 | 185,504 | 25,000 | 15.58% | 17,820 | 203,324 |
| 18001 | Grand Forks 1 | 8,108.77 | 21,350,738 | 23,966,182.53 | - | - | - | - | - | - | - | 23,966,183 | 2,615,444 | 12.25% | 2,050,250 | 26,016,433 |
| 18044 | Larimore 44 | 559.10 | 1,566,383 | 1,652,469.20 | - | - | - | 185,252 | - | - | - | 1,837,722 | 271,338 | 17.32% | 138,200 | 1,975,922 |
| 18061 | Thompson 61 | 461.92 | 1,227,468 | 1,365,245.16 | - | - | - | 47,668 | - | - | - | 1,412,913 | 185,446 | 15.11% | 88,720 | 1,501,633 |
| 18125 | Manvel 125 | 218.44 | 596,918 | 645,618.62 | - | - | - | - | - | - | - | 645,619 | 48,701 | 8.16% | 48,420 | 694,039 |
| 18127 | Emerado 127 | 142.99 | 344,822 | 422,619.51 | - | - | - | - | - | (9,314) | - | 413,306 | 68,483 | 19.86% | 40,620 | 453,926 |
| 18128 | Midway 128 | 312.07 | 758,913 | 922,350.32 | - | - | - | - | - | (48,145) | - | 874,205 | 115,292 | 15.19% | 77,130 | 951,335 |
| 18129 | Northwood 129 | 369.94 | 971,682 | 1,093,390.19 | - | - | - | - | - | - | - | 1,093,390 | 121,708 | 12.53% | 77,500 | 1,170,890 |
| 18140 | Grand Forks AFB 1 | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 19018 | Roosevelt 18 | 204.14 | 529,879 | 603,353.71 | - | - | - | 47,520 | - | - | - | 650,874 | 120,995 | 22.83% | 35,790 | 686,664 |
| 19049 | Elgin-New Leipzig 49 | 229.46 | 567,685 | 678,189.20 | - | - | - | - | - | (21,372) | - | 656,817 | 89,131 | 15.70% | 58,000 | 714,817 |
| 20007 | Midkota 7 | 197.29 | 397,860 | 583,107.94 | - | (217,819) | - | - | 48,788 | - | 8,784 | 422,860 | 25,000 | 6.28% | 56,480 | 479,340 |
| 20018 | Griggs County Central 18 | 387.14 | 967,139 | 1,144,226.30 | - | - | - | - | - | (30,680) | - | 1,113,546 | 146,408 | 15.14% | 80,980 | 1,194,526 |
| 21001 | Mott-Regent 1 | 336.91 | 808,163 | 995,767.12 | - | - | (58,660) | - | - | (7,568) | - | 929,539 | 121,376 | 15.02% | 75,890 | 1,005,429 |
| 21009 | New England 9 | 250.42 | 572,210 | 740,138.32 | - | (17,225) | - | - | - | (64,879) | - | 658,034 | 85,824 | 15.00% | 59,320 | 717,354 |
| 22011 | Pettibone-Tuttle 11 | 15.56 | 9,064 | 45,988.95 | - | (45,989) | - | - | 9,862 | - | - | 9,862 | 798 | 8.80% | 9,330 | 19,192 |
| 22014 | Robinson 14 | 25.14 | 43,479 | 74,303.48 | - | (74,303) | - | - | 45,507 | - | - | 45,507 | 2,028 | 4.67% | 8,700 | 54,207 |
| 22020 | Tuttle-Pettibone 20 | 48.59 | 86,652 | 143,612.02 | - | (104,486) | - | - | 50,125 | - | 22,400 | 111,652 | 25,000 | 28.85% | 23,500 | 135,152 |
| 22026 | Steele-Dawson 26 | 342.90 | 874,858 | 1,013,471.09 | - | - | - | - | - | (2,731) | - | 1,010,741 | 135,882 | 15.53% | 85,500 | 1,096,241 |
| 22028 | Tappen 28 | 135.30 | 342,229 | 399,891.04 | - | - | - | - | - | (6,069) | - | 393,822 | 51,593 | 15.08% | 37,240 | 431,062 |
| 23003 | Edgeley 3 | 307.74 | 740,988 | 909,552.62 | - | - | - | - | - | (56,467) | - | 853,086 | 112,098 | 15.13% | 77,770 | 930,856 |
| 23007 | Kulm 7 | 175.10 | 326,656 | 517,523.44 | - | (287,748) | (44,342) | - | 152,956 | - | 13,267 | 351,656 | 25,000 | 7.65% | 48,260 | 399,936 |
| 23008 | LaMoure 8 | 375.66 | 994,290 | 1,110,296.15 | - | - | - | - | - | - | - | 1,110,296 | 116,006 | 11.67% | 97,800 | 1,208,096 |
| 23011 | Verona 11 | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 24002 | Napoleon 2 | 304.07 | 780,812 | 898,705.61 | - | - | - | - | - | - | - | 898,706 | 117,894 | 15.10% | 72,900 | 971,606 |
| 24056 | Gackle-Streeter 56 | 147.05 | 270,864 | 434,619.20 | - | (231,820) | (51,139) | - | 129,606 | - | 14,598 | 295,864 | 25,000 | 9.23% | 42,270 | 338,134 |
| 25001 | Velva 1 | 453.23 | 1,133,976 | 1,339,561.11 | - | - | (44,937) | - | - | - | - | 1,294,624 | 160,648 | 14.17% | 101,300 | 1,395,924 |
| 25014 | Anamoose 14 | 118.23 | 300,656 | 349,439.16 | - | - | - | - | - | (4,109) | - | 345,330 | 44,675 | 14.86% | 27,730 | 373,060 |
| 25057 | Drake 57 | 177.65 | 391,041 | 525,060.19 | - | (35,656) | - | - | - | (39,280) | - | 450,124 | 59,083 | 15.11% | 45,550 | 495,674 |
| 25060 | TGU 60 | 422.42 | 1,045,666 | 1,248,499.44 | - | (196,715) | (136,808) | - | 177,419 | - | - | 1,092,396 | 46,729 | 4.47% | 115,890 | 1,208,286 |
| 26004 | Zeeland 4 | 86.89 | 171,100 | 256,811.03 | - | (166,356) | (25,979) | - | 112,531 | - | 19,093 | 196,100 | 25,000 | 14.61% | 32,700 | 228,800 |

## ND Govenor's Commission on Education Improvement
## Year 2 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | 25,000 minimum w/30 + Students | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 26009 | Ashley 9 | 212.54 | 500,507 | 628,180.65 | - | - | - | - | - | (53,438) | - | 574,742 | 74,236 | 14.83% | 51,260 | 626,002 |
| 26019 | Wishek 19 | 311.47 | 783,024 | 920,576.96 | - | - | - | - | - | (18,580) | - | 901,997 | 118,974 | 15.19% | 63,420 | 965,417 |
| 27001 | McKenzie Co 1 | 617.40 | 1,549,640 | 1,824,779.97 | - | - | (98,742) | - | - | - | - | 1,726,038 | 176,398 | 11.38% | 151,630 | 1,877,668 |
| 27002 | Alexander 2 | 74.31 | 116,663 | 219,629.74 | - | (219,630) | - | - | 121,669 | - | 19,994 | 141,663 | 25,000 | 21.43% | 26,040 | 167,703 |
| 27014 | Yellowstone 14 | 107.33 | 271,240 | 317,223.25 | - | - | - | - | - | (5,385) | - | 311,838 | 40,598 | 14.97% | 21,210 | 333,048 |
| 27018 | Earl | 17.95 | - | 53,052.80 | (53,053) | - | - | - | - | - | - | (0) | (0) | 0.00% | 3,600 | 3,600 |
| 27019 | Bowline Butte | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 27032 | Horse Creek 32 | 7.98 | - | 23,585.59 | (23,586) | - | - | - | - | - | - | (0) | (0) | 0.00% | 1,180 | 1,180 |
| 27036 | Mandaree 36 | 246.94 | 791,808 | 729,852.88 | - | - | (11,242) | 114,418 | 4,860 | - | - | 837,889 | 46,081 | 5.82% | 85,900 | 923,789 |
| 28001 | Montefiore 1 | 266.34 | 749,045 | 787,191.28 | - | - | - | - | - | - | - | 787,191 | 38,146 | 5.09% | 56,200 | 843,391 |
| 28004 | Washburn 4 | 371.89 | 969,608 | 1,099,153.59 | - | - | (45,410) | - | - | - | - | 1,053,743 | 84,135 | 8.68% | 69,500 | 1,123,243 |
| 28008 | Underwood 8 | 287.36 | 687,843 | 849,317.74 | - | - | - | - | - | (57,152) | - | 792,166 | 104,323 | 15.17% | 70,450 | 862,616 |
| 28050 | Max 50 | 212.59 | 533,208 | 628,328.43 | - | - | (16,492) | - | - | - | - | 611,836 | 78,628 | 14.75% | 51,900 | 663,736 |
| 28051 | Garrison 51 | 396.54 | 990,439 | 1,172,008.83 | - | - | - | - | - | (30,644) | - | 1,141,365 | 150,926 | 15.24% | 90,510 | 1,231,875 |
| 28072 | Turtle Lake-Mercer 72 | 234.46 | 535,897 | 692,967.14 | - | (16,421) | - | - | - | (60,997) | - | 615,549 | 79,652 | 14.86% | 72,110 | 687,659 |
| 28085 | White Shield 85 | 161.05 | 477,096 | 475,997.43 | - | - | - | 72,983 | - | - | - | 548,981 | 71,885 | 15.07% | 56,150 | 605,131 |
| 29003 | Hazen 3 | 747.60 | 2,142,425 | 2,209,597.52 | - | - | - | 491,208 | - | - | - | 2,700,805 | 558,380 | 26.06% | 147,000 | 2,847,805 |
| 29020 | Golden Valley 20 | 56.85 | 131,321 | 168,025.17 | - | (45,640) | (3,413) | - | 16,288 | - | 21,060 | 156,321 | 25,000 | 19.04% | 22,860 | 179,181 |
| 29027 | Beulah 27 | 852.04 | 2,254,312 | 2,518,279.12 | - | - | - | 12,322 | - | - | - | 2,530,602 | 276,290 | 12.26% | 193,440 | 2,724,042 |
| 30001 | Mandan 1 | 3,378.83 | 9,408,245 | 9,986,429.08 | - | - | - | 1,124,407 | - | - | - | 11,110,836 | 1,702,591 | 18.10% | 713,410 | 11,824,246 |
| 30004 | Little Heart 4 | 30.85 | 72,179 | 91,179.89 | - | (30,439) | - | - | 13,603 | - | - | 74,344 | 2,165 | 3.00% | 9,900 | 84,244 |
| 30007 | New Salem 7 | 416.15 | 1,097,439 | 1,229,967.91 | - | - | - | 145,732 | - | - | - | 1,375,700 | 278,261 | 25.36% | 78,860 | 1,454,560 |
| 30008 | Sims 8 | 31.89 | 5,105 | 94,253.70 | (37,377) | (56,877) | - | - | 5,258 | - | - | 5,258 | 153 | 3.00% | 10,800 | 16,058 |
| 30013 | Hebron 13 | 206.16 | 523,255 | 609,324.00 | - | - | - | - | - | (8,734) | - | 600,590 | 77,336 | 14.78% | 53,620 | 654,210 |
| 30017 | Sweet Briar 17 | 13.29 | 17,083 | 39,279.76 | - | (12,620) | (17,284) | - | 8,221 | - | - | 17,596 | 512 | 3.00% | 3,000 | 20,596 |
| 30039 | Flasher 39 | 274.95 | 743,944 | 812,638.89 | - | - | - | 37,798 | - | - | - | 850,437 | 106,493 | 14.31% | 57,200 | 907,637 |
| 30048 | Glen Ullin 48 | 272.09 | 687,280 | 804,185.91 | - | - | - | - | - | (12,134) | - | 792,052 | 104,772 | 15.24% | 57,650 | 849,702 |
| 31001 | New Town 1 | 768.65 | 2,339,965 | 2,271,812.64 | - | - | - | 463,003 | - | - | - | 2,734,815 | 394,850 | 16.87% | 174,620 | 2,909,435 |
| 31002 | Stanley 2 | 390.02 | 1,002,347 | 1,152,738.39 | - | - | - | - | - | - | - | 1,152,738 | 150,391 | 15.00% | 101,110 | 1,253,848 |
| 31003 | Parshall 3 | 343.67 | 821,175 | 1,015,746.89 | - | - | - | 52,677 | - | (63,321) | - | 1,005,103 | 183,928 | 22.40% | 76,000 | 1,081,103 |
| 32001 | Dakota Prairie 1 | 378.51 | 822,476 | 1,118,719.58 | - | (122,799) | - | - | - | (49,997) | - | 945,923 | 123,447 | 15.01% | 93,500 | 1,039,423 |
| 32066 | Lakota 66 | 316.35 | 813,937 | 935,000.23 | - | - | - | - | - | (2,523) | - | 932,478 | 118,541 | 14.56% | 79,000 | 1,011,478 |
| 33001 | Center-Stanton 1 | 351.44 | 926,269 | 1,038,711.81 | - | - | - | - | - | - | - | 1,038,712 | 112,443 | 12.14% | 85,750 | 1,124,462 |
| 34006 | Cavalier 6 | 579.65 | 1,472,793 | 1,713,206.53 | - | - | - | 21,577 | - | (25,111) | - | 1,709,673 | 236,880 | 16.08% | 129,610 | 1,839,283 |
| 34012 | Valley 12 | 197.15 | 489,523 | 582,694.16 | - | - | - | - | - | (20,945) | - | 561,749 | 72,226 | 14.75% | 61,950 | 623,699 |
| 34019 | Drayton 19 | 207.41 | 421,598 | 613,018.49 | - | (188,228) | - | - | 14,796 | - | 7,011 | 446,598 | 25,000 | 5.93% | 61,630 | 508,228 |
| 34043 | St Thomas 43 | 148.16 | 337,243 | 437,899.90 | - | (5,356) | - | - | - | (43,163) | - | 389,381 | 52,137 | 15.46% | 36,430 | 425,811 |
| 34100 | North Border 100 | 663.13 | 1,524,552 | 1,959,939.01 | - | - | - | - | - | (204,861) | - | 1,755,078 | 230,526 | 15.12% | 159,130 | 1,914,208 |
| 35001 | Wolford 1 | 72.81 | 163,222 | 215,196.36 | - | (51,802) | - | - | 4,724 | - | 20,103 | 188,222 | 25,000 | 15.32% | 31,350 | 219,572 |
| 35005 | Rugby 5 | 592.63 | 1,471,957 | 1,751,570.06 | - | - | - | - | - | (64,209) | - | 1,687,361 | 215,404 | 14.63% | 148,130 | 1,835,491 |
| 36001 | Devils Lake 1 | 1,972.88 | 5,735,490 | 5,831,020.26 | - | - | - | 1,935,562 | - | - | - | 7,766,582 | 2,031,092 | 35.41% | 479,100 | 8,245,682 |
| 36002 | Edmore 2 | 119.25 | 153,204 | 352,453.86 | - | (309,121) | (43,333) | - | 159,770 | - | 18,434 | 178,204 | 25,000 | 16.32% | 30,590 | 208,794 |
| 36044 | Starkweather 44 | 125.29 | 272,336 | 370,305.61 | - | (71,984) | (5,746) | - | - | - | 4,760 | 297,336 | 25,000 | 9.18% | 31,110 | 328,446 |

## ND Govenor's Commission on Education Improvement
## Year 2 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | 25,000 minimum w/30 + Students | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 37002 | Sheldon 2 | 37.98 | 86,724 | 112,253.23 | - | (86,993) | - | - | 65,816 | - | - | 91,077 | 4,352 | 5.02% | 11,820 | 102,897 |
| 37006 | Ft Ransom 6 | 19.85 | 56,074 | 58,668.42 | - | (58,668) | - | - | 57,756 | - | - | 57,756 | 1,682 | 3.00% | 6,090 | 63,846 |
| 37019 | Lisbon 19 | 681.02 | 1,829,289 | 2,012,814.47 | - | - | - | 183,572 | - | - | - | 2,196,386 | 367,097 | 20.07% | 152,380 | 2,348,766 |
| 37022 | Enderlin 22 | 374.13 | 940,359 | 1,105,774.10 | - | - | - | - | - | (27,111) | - | 1,078,663 | 138,304 | 14.71% | 90,460 | 1,169,123 |
| 38001 | Mchall-Lansford-Sherwood 1 | 455.15 | 988,566 | 1,345,235.83 | - | (272,044) | - | - | - | - | - | 1,073,192 | 84,625 | 8.56% | 116,660 | 1,189,852 |
| 38026 | Glenburn 26 | 341.85 | 954,289 | 1,010,367.72 | - | - | (54,065) | - | 33,156 | - | - | 989,459 | 35,169 | 3.69% | 86,630 | 1,076,089 |
| 39005 | Mantador 5 | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 39008 | Hankinson 8 | 371.92 | 920,066 | 1,099,242.25 | - | - | - | - | - | (38,082) | - | 1,061,160 | 141,094 | 15.34% | 88,830 | 1,149,990 |
| 39018 | Fairmount 18 | 144.08 | 271,086 | 425,841.11 | - | (202,568) | - | - | 59,855 | - | 12,958 | 296,086 | 25,000 | 9.22% | 39,380 | 335,466 |
| 39028 | Lidgerwood 28 | 266.74 | 698,948 | 788,373.52 | - | - | - | - | - | - | - | 788,374 | 89,425 | 12.79% | 64,040 | 852,414 |
| 39037 | Wahpeton 37 | 1,494.51 | 4,053,025 | 4,417,155.68 | - | - | - | 282,086 | - | - | - | 4,699,242 | 646,216 | 15.94% | 337,450 | 5,036,692 |
| 39042 | Wyndmere 42 | 313.14 | 743,716 | 925,512.80 | - | - | - | - | - | (73,123) | - | 852,390 | 108,674 | 14.61% | 71,320 | 923,710 |
| 39044 | Richland 44 | 383.35 | 996,987 | 1,133,024.62 | - | - | - | - | - | - | - | 1,133,025 | 136,038 | 13.64% | 77,470 | 1,210,495 |
| 40001 | Dunseith 1 | 454.68 | 1,919,161 | 1,343,846.71 | - | - | (4,772) | 259,267 | 425,487 | - | - | 2,023,828 | 104,666 | 5.45% | 159,740 | 2,183,568 |
| 40003 | St John 3 | 365.50 | 1,117,834 | 1,080,267.38 | - | - | (777) | 187,561 | - | - | - | 1,267,052 | 149,218 | 13.35% | 88,050 | 1,355,102 |
| 40004 | Mt Pleasant 4 | 363.27 | 950,719 | 1,073,676.42 | - | - | - | - | - | - | - | 1,073,676 | 122,957 | 12.93% | 78,750 | 1,152,426 |
| 40007 | Belcourt 7 | 1,744.50 | 5,676,103 | 5,156,023.10 | - | - | (51,851) | 1,019,002 | - | - | - | 6,123,174 | 447,071 | 7.88% | 361,980 | 6,485,154 |
| 40029 | Rolette 29 | 242.14 | 630,592 | 715,666.06 | - | - | - | - | - | - | - | 715,666 | 85,074 | 13.49% | 55,910 | 771,576 |
| 41002 | Milnor 2 | 354.87 | 984,469 | 1,048,849.48 | - | - | - | 162,304 | - | - | - | 1,211,153 | 226,684 | 23.03% | 67,640 | 1,278,793 |
| 41003 | N Sargent 3 | 268.91 | 760,040 | 794,787.14 | - | - | - | 48,890 | - | - | - | 843,677 | 83,638 | 11.00% | 62,310 | 905,987 |
| 41006 | Sargent Central 6 | 358.24 | 805,720 | 1,058,809.81 | - | - | - | - | - | (133,921) | - | 924,889 | 119,169 | 14.79% | 84,690 | 1,009,579 |
| 42016 | Goodrich 16 | 60.20 | 118,727 | 177,926.39 | - | (68,490) | - | - | 12,853 | - | 21,438 | 143,727 | 25,000 | 21.06% | 22,500 | 166,227 |
| 42019 | McClusky 19 | 129.14 | 294,618 | 381,684.62 | - | (3,686) | - | - | - | (39,367) | - | 338,631 | 44,013 | 14.94% | 37,790 | 376,421 |
| 43003 | Solen 3 | 203.24 | 660,279 | 600,693.69 | - | - | - | 158,251 | - | - | - | 758,945 | 98,666 | 14.94% | 61,000 | 819,945 |
| 43004 | Ft Yates 4 | 220.36 | 964,871 | 651,293.35 | - | - | - | 95,094 | 311,930 | - | - | 1,058,317 | 93,446 | 9.68% | 76,400 | 1,134,717 |
| 43008 | Selfridge 8 | 130.11 | 83,901 | 384,551.54 | (159,354) | - | - | 18,195 | - | (127,288) | - | 116,105 | 32,204 | 38.38% | 32,000 | 148,105 |
| 44012 | Marmarth 12 | 21.21 | - | 62,688.02 | (44,035) | (18,653) | - | - | - | - | - | 0 | 0 | 0.00% | 6,160 | 6,160 |
| 44032 | Central Elementary 32 | 5.31 | - | 15,694.17 | (15,694) | - | - | - | - | - | - | (0) | (0) | 0.00% | 3,910 | 3,910 |
| 45001 | Dickinson 1 | 2,765.96 | 7,887,297 | 8,175,037.92 | - | - | - | 1,422,827 | - | - | - | 9,597,865 | 1,710,568 | 21.69% | 615,030 | 10,212,895 |
| 45009 | South Heart 9 | 315.41 | 875,991 | 932,221.98 | - | - | (13,044) | 45,864 | - | - | - | 964,842 | 88,851 | 10.14% | 62,180 | 1,027,022 |
| 45013 | Belfield 13 | 299.67 | 864,833 | 885,701.03 | - | - | - | 251,935 | - | - | - | 1,137,636 | 272,803 | 31.54% | 62,050 | 1,199,686 |
| 45034 | Richardton-Taylor 34 | 352.86 | 914,213 | 1,042,908.75 | - | - | - | - | - | - | - | 1,042,909 | 128,696 | 14.08% | 85,650 | 1,128,559 |
| 46010 | Hope 10 | 185.39 | 407,261 | 547,936.44 | - | - | - | - | - | (84,473) | - | 463,463 | 56,202 | 13.80% | 38,890 | 502,353 |
| 46019 | Finley-Sharon 19 | 241.93 | 578,742 | 715,045.38 | - | - | - | - | - | (51,002) | - | 664,044 | 85,302 | 14.74% | 57,920 | 721,964 |
| 47001 | Jamestown 1 | 2,572.30 | 7,131,817 | 7,602,658.77 | - | - | - | 1,105,922 | - | - | - | 8,708,581 | 1,576,764 | 22.11% | 586,730 | 9,295,311 |
| 47003 | Medina 3 | 212.19 | 503,888 | 627,148.20 | - | - | - | - | - | (44,802) | - | 582,344 | 78,456 | 15.57% | 52,040 | 634,384 |
| 47010 | Pingree-Buchanan | 208.10 | 512,955 | 615,057.84 | - | - | - | - | - | (25,107) | - | 589,951 | 76,996 | 15.01% | 47,680 | 637,631 |
| 47014 | Montpelier 14 | 140.96 | 335,653 | 416,619.67 | - | - | - | - | - | (30,677) | - | 385,943 | 50,290 | 14.98% | 44,550 | 430,493 |
| 47019 | Kensal 19 | 89.53 | 167,882 | 264,613.79 | - | (140,349) | - | - | 49,683 | - | 18,934 | 192,882 | 25,000 | 14.89% | 22,130 | 215,012 |
| 47026 | Spiritwood 26 | 19.91 | - | 58,845.76 | (58,846) | - | - | - | - | - | - | 0 | 0 | 0.00% | - | 0 |
| 48002 | Bisbee-Egeland 2 | 107.36 | 190,684 | 317,311.92 | - | (204,981) | - | - | 84,900 | - | 18,453 | 215,684 | 25,000 | 13.11% | 34,940 | 250,624 |
| 48008 | Southern 8 | 298.74 | 766,400 | 882,952.33 | - | - | - | - | - | (1,913) | - | 881,039 | 114,639 | 14.96% | 64,560 | 945,599 |
| 48028 | North Central 28 | 87.11 | 204,947 | 257,461.26 | - | (107,051) | - | - | 64,685 | - | 14,852 | 229,947 | 25,000 | 12.20% | 33,900 | 263,847 |

ND Govenor's Commission on Education Improvement
Year 2 Based on 2005-2006 Payment Year

| CoDist | Dname | wpu | 2005-06 Net Entitlement | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | 25,000 minimum w/30 + Students | Net New Formula | Change from Base Year | Percent | Teacher Comp | Total New Formula/Teach Comp |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 49003 | Central Valley 3 | 353.71 | 844,392 | 1,045,421.00 | - | - | (15,540) | - | - | (63,442) | - | 966,439 | 122,047 | 14.45% | 65,690 | 1,032,129 |
| 49007 | Hatton 7 | 304.18 | 829,985 | 899,030.73 | - | - | - | - | - | - | - | 899,031 | 69,046 | 8.32% | 63,060 | 962,091 |
| 49009 | Hillsboro 9 | 457.28 | 1,139,547 | 1,351,531.24 | - | - | - | - | - | (41,780) | - | 1,309,751 | 170,204 | 14.94% | 102,440 | 1,412,191 |
| 49014 | May-Port CG 14 | 614.65 | 1,521,556 | 1,816,652.11 | - | - | - | - | - | (71,323) | - | 1,745,329 | 223,773 | 14.71% | 151,160 | 1,896,489 |
| 50003 | Grafton 3 | 1,040.39 | 3,013,239 | 3,074,964.10 | - | - | - | 725,086 | - | - | - | 3,800,050 | 786,811 | 26.11% | 210,080 | 4,010,130 |
| 50005 | Fordville-Lankin 5 | 156.96 | 358,303 | 463,909.08 | - | - | - | - | - | (50,951) | - | 412,958 | 54,655 | 15.25% | 41,340 | 454,298 |
| 50020 | Minto 20 | 287.44 | 761,996 | 849,554.19 | - | - | - | - | - | - | - | 849,554 | 87,559 | 11.49% | 71,180 | 920,734 |
| 50051 | Nash 51 | 23.68 | 44,485 | 69,988.32 | - | (56,577) | - | - | 32,661 | - | - | 46,072 | 1,587 | 3.57% | 980 | 47,052 |
| 50078 | Park River 78 | 444.06 | 1,180,781 | 1,312,458.36 | - | - | - | 94,422 | - | - | - | 1,406,881 | 226,100 | 19.15% | 106,790 | 1,513,671 |
| 50106 | Edinburg 106 | 170.74 | 453,427 | 504,637.08 | - | - | - | 30,548 | - | - | - | 535,185 | 81,758 | 18.03% | 42,650 | 577,835 |
| 50128 | Adams 128 | 97.95 | 232,619 | 289,499.84 | - | (3,524) | - | - | - | (21,256) | - | 264,720 | 32,101 | 13.80% | 33,960 | 298,680 |
| 51001 | Minot 1 | 7,167.94 | 19,517,193 | 21,185,476.76 | - | - | - | 244,349 | - | - | - | 21,429,825 | 1,912,633 | 9.80% | 1,661,650 | 23,091,475 |
| 51004 | Nedrose 4 | 270.77 | 701,345 | 800,284.54 | - | - | - | - | - | - | - | 800,285 | 98,939 | 14.11% | 55,620 | 855,905 |
| 51007 | United 7 | 634.20 | 1,727,155 | 1,874,433.85 | - | - | - | 268,272 | - | - | - | 2,142,706 | 415,551 | 24.06% | 128,860 | 2,271,566 |
| 51010 | Bell 10 | 177.72 | 486,606 | 525,267.08 | - | - | - | - | - | - | - | 525,267 | 38,661 | 7.94% | 34,650 | 559,917 |
| 51016 | Sawyer 16 | 164.21 | 408,256 | 485,337.09 | - | - | - | - | - | (14,376) | - | 470,962 | 62,706 | 15.36% | 44,620 | 515,582 |
| 51019 | Eureka 19 | 11.96 | 6,819 | 35,348.83 | (10,226) | (25,123) | - | - | 7,023 | - | - | 7,023 | 205 | 3.00% | 5,880 | 12,903 |
| 51028 | Kenmare 28 | 350.26 | 847,890 | 1,035,224.22 | - | - | - | - | - | (56,181) | - | 979,043 | 131,153 | 15.47% | 80,320 | 1,059,363 |
| 51041 | Surrey 41 | 415.47 | 1,189,148 | 1,227,958.11 | - | - | - | 441,379 | - | - | - | 1,669,337 | 480,189 | 40.38% | 90,630 | 1,759,967 |
| 51070 | S Prairie 70 | 173.24 | 462,221 | 512,026.05 | - | - | - | - | - | - | - | 512,026 | 49,805 | 10.78% | 39,400 | 551,426 |
| 51160 | Minot AFB 160 | - | - | - | - | - | - | - | - | - | - | - | - | 0.00% | - | - |
| 51161 | Lewis and Clark 161 | 502.97 | 1,144,518 | 1,486,572.05 | - | - | (133,598) | - | - | (39,151) | - | 1,313,824 | 169,305 | 14.79% | 117,700 | 1,431,524 |
| 52025 | Fessenden-Bowdon 25 | 247.21 | 477,433 | 730,650.89 | - | (339,578) | (28,800) | - | 133,655 | - | 6,505 | 502,433 | 25,000 | 5.24% | 61,470 | 563,903 |
| 52035 | Pleasant Valley 3 | 26.64 | 35,891 | 78,736.86 | - | (67,186) | - | - | 27,237 | - | - | 38,788 | 2,897 | 8.07% | 8,310 | 47,098 |
| 52038 | Harvey 38 | 501.47 | 1,250,148 | 1,482,138.67 | - | - | - | - | - | (48,979) | - | 1,433,159 | 183,012 | 14.64% | 140,820 | 1,573,979 |
| 53001 | Williston 1 | 2,310.79 | 7,126,844 | 6,829,742.97 | - | - | - | 2,539,167 | - | - | - | 9,368,910 | 2,242,066 | 31.46% | 530,950 | 9,899,860 |
| 53002 | Nesson 2 | 215.31 | 529,811 | 636,367.63 | - | - | - | - | - | (29,213) | - | 607,154 | 77,343 | 14.60% | 58,620 | 665,774 |
| 53006 | Eight Mile 6 | 286.65 | 865,608 | 847,219.27 | - | - | - | 205,971 | - | - | - | 1,053,190 | 187,582 | 21.67% | 75,960 | 1,129,150 |
| 53008 | New 8 | 237.91 | 481,744 | 703,163.92 | - | (276,775) | - | - | 79,960 | - | 395 | 506,744 | 25,000 | 5.19% | 66,340 | 573,084 |
| 53015 | Tioga 15 | 312.39 | 760,445 | 923,296.11 | - | (14,205) | - | - | - | (37,875) | - | 871,216 | 110,772 | 14.57% | 74,990 | 946,206 |
| 53091 | Wildrose-Alamo 91 | 51.79 | 89,330 | 153,069.90 | - | (127,567) | - | - | 66,507 | - | 22,320 | 114,330 | 25,000 | 27.99% | 20,480 | 134,810 |
| 53099 | Grenora 99 | 105.59 | 180,895 | 312,080.53 | - | (259,340) | - | - | 137,344 | - | 15,810 | 205,895 | 25,000 | 13.82% | 36,250 | 242,145 |
| 99000 | Year 2 Statewide | 110,308.92 | 290,907,739 | 326,027,709.68 | (674,793) | (7,638,352) | (1,323,127) | 17,490,926 | 3,924,325 | (3,578,981) | 497,140 | 334,724,849 | 43,817,109 | 15.06% | 25,370,550 | 360,095,399 |
| | Year 2 Counts <> 0 | | | | 10 | 66 | 35 | 44 | 54 | 65 | 35 | | | | | |

Year 1 Projection

| CoDist | Dname | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levies | ADM | Imputed TaxValPP | 25,000 minimum 3/30 + students | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4001 | Billings Co 1 | 178,507 | (178,507) | - | - | - | 6,146 | - | 6,146 | 120 | 2.0% | 1,183,748 | 26,152 | 34.02 | 46 | 438,894 | 24,879.66 | x |
| 8035 | Sterling 35 | 131,415 | - | (131,415) | - | - | 71,662 | - | 71,662 | 1,405 | 2.0% | 416,894 | 14,584 | 196.07 | 34 | 63,432 | 23,594.82 | |
| 27002 | Alexander 2 | 253,855 | - | (253,855) | - | - | 106,035 | - | 106,035 | 2,079 | 2.0% | 502,492 | 15,406 | 142.04 | 40 | 83,418 | 22,920.98 | |
| 17006 | Lone Tree 6 | 128,876 | (6,338) | (80,965) | - | - | 68,004 | - | 109,577 | 2,149 | 2.0% | 357,579 | 14,599 | 212.74 | 32 | 48,965 | 22,851.35 | |
| 42016 | Goodrich 16 | 161,796 | - | (69,722) | - | - | 27,366 | - | 119,440 | 2,342 | 2.0% | 332,023 | 11,011 | 187.85 | 41 | 42,986 | 22,658.29 | |
| 29020 | Golden Valley 20 | 142,015 | - | (49,059) | - | - | 30,473 | - | 123,428 | 2,420 | 2.0% | 288,915 | 11,454 | 170.88 | 36 | 40,551 | 22,579.61 | x |
| 47019 | Kensal 19 | 238,827 | - | (161,378) | - | - | 57,760 | - | 135,208 | 2,651 | 2.0% | 451,090 | 12,089 | 170.00 | 49 | 54,711 | 22,348.60 | |
| 48002 | Bisbee-Egeland 2 | 221,082 | - | (221,082) | - | - | 140,381 | - | 140,381 | 2,752 | 2.0% | 639,996 | 13,935 | 176.79 | 56 | 64,644 | 22,247.67 | |
| 36002 | Edmore 2 | 319,016 | - | (319,016) | - | - | 142,966 | - | 142,966 | 2,803 | 2.0% | 700,711 | 10,416 | 143.00 | 81 | 60,464 | 22,196.86 | |
| 5054 | Newburg-United 54 | 342,193 | - | (342,193) | - | - | 147,038 | - | 147,038 | 2,883 | 2.0% | 858,769 | 14,166 | 160.31 | 71 | 73,751 | 22,116.53 | |
| 43008 | Selfridge 8 | 244,909 | (138,076) | - | - | - | - | (57,806) | 49,026 | 3,207 | 7.0% | 244,283 | 6,518 | 183.10 | 45 | 29,648 | 21,792.89 | |
| 26004 | Zeeland 4 | 281,962 | - | (166,643) | - | - | 61,157 | - | 176,477 | 3,461 | 2.0% | 440,602 | 12,342 | 160.95 | 50 | 54,750 | 21,539.38 | |
| 8039 | Apple Creek 39 | 197,994 | - | (107,277) | - | - | 87,778 | - | 178,494 | 3,500 | 2.0% | 553,961 | 14,649 | 238.15 | 50 | 46,193 | 21,499.87 | |
| 35001 | Wolford 1 | 222,293 | - | (43,673) | - | - | - | - | 178,620 | 3,749 | 2.1% | 326,033 | 11,215 | 191.95 | 45 | 37,724 | 21,250.76 | |
| 7014 | Bowbells 14 | 268,411 | - | (166,458) | - | - | 96,427 | - | 198,380 | 3,890 | 2.0% | 569,416 | 11,291 | 156.48 | 68 | 48,372 | 21,110.12 | |
| 53099 | Grenora 99 | 326,427 | - | (245,912) | - | - | 122,226 | - | 202,740 | 3,976 | 2.0% | 727,950 | 13,995 | 185.00 | 67 | 57,381 | 21,024.17 | |
| 7036 | Burke Central 36 | 327,017 | - | (186,339) | - | - | 81,909 | - | 222,587 | 4,364 | 2.0% | 716,179 | 11,448 | 169.20 | 82 | 47,107 | 20,635.65 | |
| 48028 | North Central 28 | 300,445 | - | (300,445) | - | - | 224,672 | - | 224,672 | 4,405 | 2.0% | 743,016 | 15,608 | 153.82 | 62 | 68,158 | 20,594.88 | |
| 9007 | Mapleton 7 | 241,248 | - | (205,358) | - | - | 210,555 | - | 246,445 | 4,832 | 2.0% | 848,345 | 17,801 | 251.74 | 62 | 54,796 | 20,167.83 | |
| 50128 | Adams 128 | 243,255 | - | (23,495) | - | - | 33,133 | - | 252,893 | 4,959 | 2.0% | 346,992 | 9,676 | 167.26 | 62 | 33,461 | 20,041.24 | |
| 24056 | Gackle 14 | 395,928 | - | (258,784) | (40,690) | - | 161,102 | - | 257,556 | 5,051 | 2.0% | 700,021 | 9,576 | 141.76 | 100 | 49,381 | 19,949.45 | |
| 18127 | Emerado 127 | 260,203 | - | (31,659) | - | - | 47,999 | - | 276,543 | 5,422 | 2.0% | 636,187 | 14,042 | 285.85 | 65 | 34,240 | 19,577.73 | |
| 23007 | Kulm 7 | 469,032 | - | (319,516) | - | - | 153,907 | - | 303,423 | 5,949 | 2.0% | 1,006,088 | 11,145 | 170.04 | 118 | 50,328 | 19,051.31 | |
| 9080 | Page 80 | 373,194 | - | (133,079) | - | - | 66,900 | - | 307,015 | 6,019 | 2.0% | 644,206 | 10,066 | 166.76 | 95 | 40,879 | 18,980.51 | |
| 50005 | Fordville-Lankin 5 | 360,941 | - | (36,368) | - | - | 8,465 | - | 333,038 | 6,531 | 2.0% | 477,526 | 8,859 | 155.35 | 92 | 33,594 | 18,469.25 | |
| 10019 | Munich 19 | 497,287 | - | (165,144) | (7,099) | - | 17,369 | - | 342,414 | 6,714 | 2.0% | 646,207 | 9,598 | 148.37 | 103 | 42,285 | 18,285.99 | |
| 22028 | Tappen 28 | 338,975 | - | - | - | - | 4,063 | - | 343,038 | 6,726 | 2.0% | 352,457 | 8,087 | 195.00 | 86 | 20,868 | 18,274.25 | |
| 20007 | Midkota 7 | 466,198 | - | (307,775) | - | - | 214,156 | - | 372,579 | 7,305 | 2.0% | 1,081,194 | 12,320 | 185.00 | 118 | 49,528 | 17,695.07 | |
| 34019 | Drayton 19 | 532,304 | - | (192,029) | - | - | 35,432 | - | 375,706 | 7,366 | 2.0% | 1,038,262 | 10,435 | 186.15 | 136 | 40,944 | 17,634.06 | |
| 2065 | N Central 65 | 567,497 | - | (291,183) | - | - | 110,105 | - | 386,419 | 7,576 | 2.0% | 1,034,215 | 9,831 | 158.16 | 145 | 45,253 | 17,423.60 | x |
| 2082 | Wimbledon-Courtenay 82 | 583,205 | - | (203,870) | - | - | 37,460 | - | 416,795 | 8,172 | 2.0% | 993,137 | 9,591 | 165.13 | 147 | 40,725 | 16,827.68 | x |
| 3016 | Oberon 16 | 143,196 | - | - | - | - | - | (6,157) | 137,038 | 8,965 | 7.0% | 170,160 | 8,416 | 162.79 | 37 | 28,638 | 16,034.99 | |
| 53008 | New 8 | 713,439 | - | (346,661) | - | - | 91,447 | - | 458,225 | 8,986 | 2.0% | 1,664,841 | 11,029 | 193.42 | 193 | 43,709 | 16,014.02 | |
| 25014 | Anamoose 14 | 302,925 | - | - | - | - | - | - | 302,925 | 9,033 | 3.1% | 392,782 | 9,035 | 191.13 | 77 | 26,309 | 15,967.10 | |
| 51070 | S Prairie 70 | 498,173 | - | (68,654) | - | - | 47,262 | - | 476,781 | 9,349 | 2.0% | 799,673 | 9,420 | 171.60 | 136 | 34,381 | 15,650.57 | |
| 2046 | Litchville-Marion 46 | 640,867 | - | (251,756) | - | - | 116,713 | - | 505,824 | 9,918 | 2.0% | 1,029,571 | 9,449 | 150.48 | 163 | 41,895 | 15,082.33 | |
| 52025 | Fessenden-Bowdon 25 | 734,165 | - | (319,980) | (120,213) | - | 223,130 | - | 517,102 | 10,139 | 2.0% | 1,089,982 | 8,571 | 135.10 | 188 | 43,029 | 14,860.72 | |
| 13037 | Twin Buttes 37 | 167,495 | - | - | (3,722) | 31,457 | - | - | 195,229 | 10,186 | 5.5% | 41,901 | 5,714 | - | 42 | 598 | 14,813.79 | |
| 19018 | Roosevelt 18 | 490,349 | - | - | - | - | 51,524 | - | 541,873 | 10,626 | 2.0% | 437,792 | 7,507 | 167.54 | 131 | 19,524 | 14,374.27 | |
| 6033 | Scranton 33 | 622,620 | - | (35,343) | (39,144) | - | 2,290 | - | 550,424 | 10,793 | 2.0% | 919,298 | 9,302 | 139.17 | 158 | 32,342 | 14,206.95 | |

Year 1 Projection

| CoDist | Dname | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levies | ADM | Imputed TaxValPP | 25,000 minimum 3/30 + students |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 15015 | Strasburg 15 | 622,561 | - | - | (24,421) | - | 25,267 | - | 623,408 | 12,224 | 2.0% | 497,811 | 7,119 | 142.50 | 158 | 21,427 | 12,776.02 |
| 51010 | Bell 10 | 547,155 | - | - | - | - | - | - | 547,155 | 12,433 | 2.3% | 676,509 | 8,213 | 219.79 | 149 | 20,650 | 12,566.62 |
| 18125 | Manvel 125 | 614,324 | - | - | - | - | 30,369 | - | 644,693 | 12,642 | 2.0% | 753,592 | 9,952 | 190.31 | 141 | 28,184 | 12,358.11 |
| 40029 | Rolette 29 | 654,005 | - | - | - | - | 5,731 | - | 659,736 | 12,935 | 2.0% | 579,106 | 7,554 | 185.00 | 164 | 19,074 | 12,064.90 |
| 30048 | Glen Ullin 48 | 663,217 | - | - | - | - | 28,369 | - | 691,586 | 13,560 | 2.0% | 769,385 | 8,696 | 162.42 | 168 | 26,643 | 11,439.80 |
| 3009 | Maddock 9 | 704,316 | - | - | - | - | 11,824 | - | 716,140 | 14,043 | 2.0% | 764,284 | 8,294 | 176.75 | 179 | 24,044 | 10,957.46 |
| 43003 | Solen 3 | 599,532 | - | - | - | 115,594 | 20,724 | - | 735,850 | 14,429 | 2.0% | 46,307 | 5,129 | 185.00 | 153 | 1,641 | 10,571.39 |
| 9004 | Maple Valley 4 | 1,006,886 | - | (218,326) | - | - | 6,459 | - | 795,020 | 15,589 | 2.0% | 1,648,894 | 9,622 | 175.81 | 254 | 36,925 | 9,411.46 |
| 28050 | Max 50 | 566,287 | - | - | - | - | - | - | 566,287 | 15,893 | 2.9% | 631,618 | 8,406 | 171.39 | 143 | 23,952 | 9,107.49 |
| 32001 | Dakota Prairie 1 | 1,004,229 | - | (217,684) | - | - | 45,513 | - | 832,059 | 16,315 | 2.0% | 1,805,290 | 9,896 | 185.00 | 267 | 36,617 | 8,685.12 |
| 48008 | Southern 8 | 784,977 | - | - | - | - | - | - | 784,977 | 17,040 | 2.2% | 652,867 | 7,207 | 167.25 | 200 | 19,404 | 7,959.56 |
| 12001 | Divide County 1 | 970,896 | - | (67,635) | (64,452) | - | 31,424 | - | 870,232 | 17,063 | 2.0% | 1,336,024 | 8,686 | 140.93 | 254 | 32,649 | 7,937.01 |
| 27036 | Mandaree 36 | 683,737 | - | - | (5,770) | 128,859 | - | - | 806,826 | 17,187 | 2.2% | 221,964 | 6,052 | 82.22 | 170 | 8,190 | 7,813.03 |
| 45009 | South Heart 9 | 872,991 | - | - | (12,382) | - | 72,307 | - | 932,916 | 18,292 | 2.0% | 589,908 | 6,679 | 146.00 | 228 | 15,649 | 6,707.89 |
| 43004 | Ft Yates 4 | 633,781 | - | - | - | 113,699 | 201,991 | - | 949,471 | 18,618 | 2.0% | 89,335 | 6,925 | 185.00 | 150 | 3,219 | 6,382.11 |
| 45034 | Richardton-Taylor 34 | 959,292 | - | - | - | - | - | - | 959,292 | 19,076 | 2.0% | 936,258 | 7,545 | 185.00 | 252 | 19,033 | 5,923.79 |
| 33001 | Center-Stanton 1 | 939,629 | - | - | - | - | 59,351 | - | 998,980 | 19,589 | 2.0% | 1,283,265 | 9,240 | 174.98 | 247 | 25,113 | 5,411.01 |
| 40004 | Mt Pleasant 4 | 945,209 | - | - | - | 42,003 | 15,072 | - | 1,002,284 | 19,651 | 2.0% | 812,894 | 7,261 | 182.66 | 250 | 17,303 | 5,348.62 |
| 28001 | Montefiore 1 | 826,106 | - | - | - | - | - | - | 826,106 | 19,703 | 2.4% | 698,705 | 7,159 | 150.71 | 213 | 20,072 | 5,297.31 |
| 38026 | Glenburn 26 | 964,459 | - | - | (8,726) | - | 67,260 | - | 1,022,993 | 20,060 | 2.0% | 677,538 | 6,669 | 147.71 | 255 | 16,466 | 4,940.43 |
| 28004 | Washburn 4 | 1,065,729 | - | - | (54,826) | - | 17,097 | - | 1,028,001 | 20,157 | 2.0% | 957,760 | 6,664 | 139.87 | 298 | 20,570 | 4,843.44 |
| 1013 | Hettinger 13 | 948,811 | - | - | - | - | 90,189 | - | 1,039,000 | 20,372 | 2.0% | 1,200,489 | 8,958 | 173.10 | 250 | 27,118 | 4,628.24 |
| 17003 | Beach 3 | 1,041,903 | - | - | (18,980) | - | 27,704 | - | 1,050,626 | 20,601 | 2.0% | 1,696,826 | 9,743 | 145.42 | 282 | 28,037 | 4,399.12 |
| 38001 | Mohall-Lansford-Sherwoo | 1,201,426 | - | (279,546) | (27,127) | - | 178,451 | - | 1,073,204 | 21,043 | 2.0% | 1,827,074 | 9,442 | 147.42 | 307 | 37,289 | 3,957.27 |
| 8028 | Wing 28 | 353,796 | - | - | (19,483) | - | - | (5,528) | 328,786 | 21,510 | 7.0% | 351,448 | 7,600 | 141.13 | 90 | 26,183 | 3,490.28 |
| 27014 | Yellowstone 14 | 428,967 | - | - | - | - | - | (98,884) | 330,083 | 21,595 | 7.0% | 420,620 | 7,198 | 182.27 | 104 | 19,090 | 3,405.36 |
| 42019 | McClusky 19 | 388,429 | - | - | - | - | - | (44,341) | 344,088 | 22,511 | 7.0% | 493,567 | 8,504 | 174.73 | 99 | 28,310 | 2,489.06 |
| 39018 | Fairmount 18 | 467,408 | - | (79,153) | - | - | - | (25,555) | 362,700 | 23,728 | 7.0% | 795,349 | 9,732 | 188.08 | 119 | 35,523 | 1,272.30 |
| 36044 | Starkweather 44 | 421,585 | - | (37,737) | - | - | - | (17,075) | 366,773 | 23,994 | 7.0% | 498,139 | 9,999 | 168.62 | 87 | 33,874 | 1,005.80 |
| | Count <> 0 | | | | | | | | | | | | | | | | 980,374.80 |
| | | | | | | | | | | | | | | | 9,026 | | x = 81,710.55 |
| | | | | | | | | | | | | | | | | | Count 69 |

Year 2 Projection

| CoDist | Dname | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levies | ADM | Imputed TaxValPP | 25,000 minimum 3/30 + students | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5001 | Bottineau 1 | 2,120,151 | - | - | (126,402) | - | 79,180 | - | 2,072,928 | (62,886) | -2.9% | 2,383,527 | 7,194 | 145.53 | 620 | 23,992 | 87,885.65 | |
| 1013 | Hettinger 13 | 943,563 | - | - | - | - | 50,709 | - | 994,272 | (24,356) | -2.4% | 1,257,819 | 9,624 | 173.10 | 234 | 30,388 | 49,356.44 | |
| 19018 | Roosevelt 18 | 479,930 | - | - | - | - | 30,421 | - | 510,351 | (20,897) | -3.9% | 458,589 | 8,389 | 167.54 | 116 | 23,134 | 45,896.67 | |
| 52025 | Fessenden-Bowdon 25 | 721,692 | - | (388,396) | (168,580) | - | 324,424 | - | 489,140 | (17,823) | -3.5% | 1,144,481 | 9,416 | 135.10 | 174 | 48,826 | 42,823.20 | |
| 10019 | Munich 19 | 488,388 | - | (199,063) | (30,320) | - | 64,593 | - | 323,599 | (12,100) | -3.6% | 678,517 | 10,439 | 148.37 | 96 | 47,637 | 37,100.35 | |
| 29027 | Beulah 27 | 2,267,104 | - | - | - | 43,937 | 20,977 | - | 2,332,018 | (10,608) | -0.5% | 2,917,636 | 7,806 | 185.65 | 673 | 19,262 | 35,608.41 | |
| 48028 | North Central 28 | 294,929 | - | (294,929) | (42,736) | - | 20,016 | - | 601,157 | (10,026) | -1.6% | 521,011 | 7,506 | 142.50 | 150 | 23,663 | 35,026.30 | |
| 29020 | Golden Valley 20 | 136,667 | - | (61,390) | - | - | 212,227 | - | 212,227 | (8,040) | -3.7% | 770,867 | 16,950 | 153.82 | 58 | 75,981 | 33,040.07 | |
| 2046 | Litchville-Marion 46 | 645,380 | - | (286,251) | (32,150) | - | 39,022 | - | 114,299 | (6,709) | -5.5% | 299,415 | 12,537 | 170.88 | 33 | 46,100 | 31,708.55 | |
| 35001 | Wolford 1 | 220,229 | - | (56,797) | - | - | 163,190 | - | 490,169 | (5,737) | -1.2% | 1,080,539 | 10,101 | 150.48 | 156 | 45,960 | 30,737.21 | |
| 5054 | Newburg-United 54 | 339,917 | - | (339,917) | - | - | 6,613 | - | 170,045 | (4,826) | -2.8% | 342,317 | 12,199 | 191.95 | 42 | 42,439 | 29,825.76 | |
| 21001 | Mott-Regent 1 | 905,949 | - | (54,907) | (82,305) | - | 140,550 | - | 140,550 | (3,605) | -2.5% | 899,774 | 15,527 | 160.31 | 67 | 81,972 | 28,605.01 | |
| 2082 | Wimbledon-Courtenay 82 | 591,005 | - | (232,395) | - | - | - | - | 768,738 | (2,612) | -0.3% | 1,108,312 | 8,436 | 144.25 | 223 | 34,471 | 27,612.11 | |
| 20007 | Midkota 7 | 474,508 | - | (334,330) | - | - | 47,825 | - | 406,435 | (2,188) | -0.5% | 1,042,337 | 10,275 | 165.13 | 141 | 44,571 | 27,187.74 | x |
| 4001 | Billings Co 1 | 176,945 | (176,945) | - | - | - | 224,736 | - | 364,914 | (360) | -0.1% | 1,135,253 | 13,159 | 185.00 | 114 | 53,829 | 25,360.25 | |
| 7014 | Bowbells 14 | 273,458 | - | (177,406) | - | - | 5,862 | - | 5,862 | (163) | -2.7% | 1,192,497 | 28,197 | 34.02 | 43 | 475,927 | 25,163.28 | x |
| 17006 | Lone Tree 6 | 131,865 | (6,338) | (86,866) | - | - | 98,434 | - | 194,485 | (5) | 0.0% | 592,417 | 11,923 | 156.48 | 66 | 52,065 | 25,004.63 | |
| 42016 | Goodrich 16 | 165,698 | - | (75,284) | - | - | 69,228 | - | 107,889 | 460 | 0.4% | 373,034 | 15,514 | 212.74 | 31 | 52,888 | 24,540.18 | |
| 36002 | Edmore 2 | 326,563 | - | (326,563) | - | - | 27,292 | - | 117,706 | 607 | 0.5% | 348,529 | 11,656 | 187.65 | 40 | 46,257 | 24,392.54 | |
| 2065 | N Central 65 | 579,262 | - | (319,878) | - | - | 140,827 | - | 140,827 | 664 | 0.5% | 735,710 | 11,095 | 143.00 | 79 | 65,092 | 24,335.95 | |
| 27002 | Alexander 2 | 262,614 | - | (262,614) | - | - | 120,165 | - | 379,549 | 707 | 0.2% | 1,085,926 | 10,505 | 158.16 | 140 | 49,219 | 24,293.25 | x |
| 48002 | Bisbee-Egeland 2 | 227,882 | - | (227,882) | - | - | 105,555 | - | 105,555 | 1,599 | 1.5% | 524,170 | 16,356 | 142.04 | 39 | 89,549 | 23,400.74 | |
| 47019 | Kensal 19 | 247,091 | - | (175,651) | - | - | 139,239 | - | 139,239 | 1,611 | 1.2% | 671,996 | 14,750 | 176.79 | 55 | 69,111 | 23,389.24 | |
| 23007 | Kulm 7 | 482,719 | - | (342,129) | - | - | 63,169 | - | 134,809 | 2,053 | 1.5% | 473,645 | 13,081 | 170.00 | 47 | 59,917 | 22,947.23 | |
| 43008 | Selfridge 8 | 244,613 | (138,076) | - | - | - | 159,906 | - | 300,496 | 3,022 | 1.0% | 1,056,337 | 11,850 | 170.04 | 115 | 54,228 | 21,978.48 | |
| 8035 | Sterling 35 | 140,664 | - | (140,664) | - | - | - | (57,214) | 49,322 | 3,503 | 7.6% | 256,497 | 6,648 | 183.10 | 46 | 30,453 | 21,496.85 | |
| 24056 | Gackle 14 | 409,071 | - | (274,882) | (68,649) | - | 73,811 | - | 73,811 | 3,555 | 5.1% | 437,713 | 15,269 | 196.07 | 34 | 66,602 | 21,445.29 | |
| 50005 | Fordville-Lankin 5 | 372,387 | - | (41,848) | - | - | 190,527 | - | 256,067 | 3,561 | 1.4% | 735,022 | 10,113 | 141.76 | 98 | 52,908 | 21,439.07 | |
| 18127 | Emerado 127 | 269,523 | - | (38,470) | - | - | 97 | - | 330,636 | 4,129 | 1.3% | 501,402 | 9,297 | 155.35 | 90 | 36,062 | 20,871.12 | |
| 12001 | Divide County 1 | 994,964 | - | (84,050) | (104,982) | - | 44,589 | - | 275,642 | 4,521 | 1.7% | 667,996 | 14,978 | 285.85 | 63 | 37,093 | 20,478.80 | |
| 7036 | Burke Central 36 | 342,024 | - | (192,777) | - | - | 52,228 | - | 858,160 | 4,991 | 0.6% | 1,386,097 | 9,123 | 140.93 | 246 | 35,155 | 20,008.86 | |
| 34019 | Drayton 19 | 551,470 | - | (207,020) | - | - | 74,771 | - | 224,019 | 5,796 | 2.7% | 745,729 | 11,972 | 169.20 | 81 | 49,845 | 19,204.27 | |
| 26004 | Zeeland 4 | 298,182 | - | (176,554) | - | - | 30,100 | - | 374,550 | 6,209 | 1.7% | 1,089,623 | 11,050 | 186.15 | 133 | 43,953 | 18,790.63 | |
| 21009 | New England 9 | 640,671 | - | (106,266) | - | - | 57,960 | - | 179,588 | 6,572 | 3.8% | 462,632 | 13,107 | 160.95 | 49 | 58,661 | 18,428.34 | |
| 30048 | Glen Ullin 48 | 683,211 | - | - | - | - | - | - | 534,405 | 6,594 | 1.2% | 1,062,682 | 10,404 | 170.50 | 154 | 37,682 | 18,405.57 | |
| 22028 | Tappen 28 | 343,883 | - | - | - | - | 2,346 | - | 685,557 | 7,532 | 1.1% | 803,616 | 9,080 | 162.42 | 164 | 28,578 | 17,468.47 | |
| 18125 | Manvel 125 | 633,452 | - | - | - | - | - | - | 343,883 | 7,570 | 2.3% | 369,830 | 8,704 | 195.00 | 82 | 22,972 | 17,429.54 | |
| 53099 | Grenora 99 | 347,167 | - | (253,450) | - | - | 6,236 | - | 639,687 | 7,636 | 1.2% | 791,272 | 10,483 | 190.31 | 137 | 30,460 | 17,363.92 | |
| 8039 | Apple Creek 39 | 211,894 | - | (105,034) | - | - | 113,770 | - | 207,487 | 8,723 | 4.4% | 762,146 | 14,581 | 185.00 | 67 | 60,161 | 16,277.44 | |
| | | | | | | | 76,959 | - | 183,819 | 8,825 | 5.0% | 581,268 | 15,002 | 238.15 | 51 | 47,535 | 16,175.15 | |

Year 2 Projection

| CoDist | Dname | Gross New Formula | EFB Offset | High Valuation Offset | Min Levy Offset | Equity Payment | Transition Minimum | Transition Maximum | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levies | ADM | Imputed TaxValPP | 25,000 minimum 3/30 + students |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9007 | Mapleton 7 | 254,837 | - | (211,989) | - | - | 207,657 | - | 250,505 | 8,893 | 3.7% | 890,762 | 18,557 | 251.74 | 62 | 57,535 | 16,107.05 |
| 51070 | S Prairie 70 | 517,823 | - | (82,208) | - | - | 41,276 | - | 476,890 | 9,458 | 2.0% | 839,632 | 10,012 | 171.60 | 132 | 37,198 | 15,541.70 |
| 14002 | New Rockford-Sheyenne | 1,470,030 | - | - | - | - | - | - | 1,470,030 | 9,676 | 0.7% | 1,235,896 | 6,706 | 165.00 | 404 | 18,555 | 15,324.42 |
| 53008 | New 8 | 742,544 | - | (364,877) | - | - | 81,259 | - | 458,926 | 9,687 | 2.2% | 1,744,340 | 11,627 | 193.42 | 190 | 46,570 | 15,313.13 |
| 13037 | Twin Buttes 37 | 167,743 | - | - | (4,039) | 31,047 | - | - | 194,751 | 9,708 | 5.2% | 41,901 | 6,147 | - | 39 | 677 | 15,291.70 |
| 32001 | Dakota Prairie 1 | 1,036,791 | - | (253,633) | - | - | 43,471 | - | 826,630 | 10,886 | 1.3% | 1,895,555 | 10,572 | 185.00 | 258 | 39,791 | 14,114.22 |
| 9080 | Page 80 | 394,107 | - | (134,145) | - | - | 52,025 | - | 311,987 | 10,992 | 3.7% | 676,417 | 10,459 | 166.76 | 95 | 42,923 | 14,008.37 |
| 50128 | Adams 128 | 259,484 | - | (21,003) | - | - | 21,107 | - | 259,588 | 11,654 | 4.7% | 364,342 | 10,063 | 167.26 | 62 | 35,134 | 13,346.50 |
| 45009 | South Heart 9 | 901,829 | - | - | (29,252) | - | 54,798 | - | 927,375 | 12,750 | 1.4% | 612,505 | 6,905 | 146.00 | 223 | 16,694 | 12,249.52 |
| 28004 | Washburn 4 | 1,106,999 | - | - | (85,981) | - | 6,506 | - | 1,027,524 | 19,681 | 2.0% | 995,611 | 7,000 | 139.87 | 289 | 22,147 | 5,319.50 |
| 48008 | Southern 8 | 787,655 | - | - | - | - | - | - | 787,655 | 19,718 | 2.6% | 684,969 | 7,771 | 167.25 | 190 | 21,441 | 5,281.69 |
| 28001 | Montefiore 1 | 844,695 | - | - | (17,634) | - | - | - | 827,062 | 20,659 | 2.6% | 728,204 | 7,513 | 150.71 | 207 | 21,600 | 4,341.32 |
| 3016 | Oberon 16 | 155,784 | - | - | - | - | - | (5,617) | 150,167 | 22,094 | 17.3% | 178,668 | 9,009 | 162.79 | 37 | 30,070 | 2,906.38 |
| 25014 | Anamoose 14 | 317,051 | - | - | - | - | - | - | 317,051 | 23,159 | 7.9% | 411,862 | 9,591 | 191.13 | 76 | 27,969 | 1,840.92 |
| 28072 | Turtle Lake-Mercer 72 | 645,845 | - | (71,651) | (3,205) | - | - | - | 570,989 | 23,902 | 4.4% | 926,006 | 9,658 | 154.38 | 155 | 36,024 | 1,098.22 |
| | Count <> 0 | | | | | | | | | | | | | | 7,453 | | 1,244,587.19 |
| | | | | | | | | | | | | | | | | x = | 76,644.27 |
| | | | | | | | | | | | | | | | | Count | 55 |

(A)

# CHANGE IN ENROLLMENT FROM 2005-2006 TO 2006-2007

| 2005 - 2006 Enrollment | | | | 2006 - 2007 Enrollment | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| CoDist | DIST | Dist Name | Total | CoDist | DIST | Dist Name | Total | Change in Enrollment | Percent Change |
| 1013 | 13 | Hettinger 13 | 336 | 1013 | 13 | Hettinger 13 | 312 | -24 | -7.14% |
| 2002 | 2 | Valley City 2 | 1,136 | 2002 | 2 | Valley City 2 | 1,094 | -42 | -3.70% |
| 2046 | 46 | Litchville-Marion 46 | 179 | 2046 | 46 | Litchville-Marion 46 | 165 | -14 | -7.82% |
| 2065 | 65 | North Central 65 | 144 | 2065 | 65 | North Central 65 | 148 | 4 | 2.78% |
| 2082 | 82 | Wimbledon-Courtenay 82 | 149 | 2082 | 82 | Wimbledon-Courtenay 82 | 150 | 1 | 0.67% |
| 3005 | 5 | Minnewaukan 5 | 181 | 3005 | 5 | Minnewaukan 5 | 217 | 36 | 19.89% |
| 3006 | 6 | Leeds 6 | 172 | 3006 | 6 | Leeds 6 | 167 | -5 | -2.91% |
| 3009 | 9 | Maddock 9 | 196 | 3009 | 9 | Maddock 9 | 183 | -13 | -6.63% |
| 3016 | 16 | Oberon 16 | 44 | 3016 | 16 | Oberon 16 | 40 | -4 | -9.09% |
| 3029 | 29 | Warwick 29 | 195 | 3029 | 29 | Warwick 29 | 189 | -6 | -3.08% |
| 3030 | 30 | Ft Totten 30 | 171 | 3030 | 30 | Ft Totten 30 | 176 | 5 | 2.92% |
| 4001 | 1 | Billings Co 1 | 50 | 4001 | 1 | Billings Co 1 | 48 | -2 | -4.00% |
| 5001 | 1 | Bottineau 1 | 712 | 5001 | 1 | Bottineau 1 | 667 | -45 | -6.32% |
| 5017 | 17 | Westhope 17 | 117 | 5017 | 17 | Westhope 17 | 117 | 0 | 0.00% |
| 5054 | 54 | Newburg-United 54 | 73 | 5054 | 54 | Newburg-United 54 | 73 | 0 | 0.00% |
| 6001 | 1 | Bowman 1 | 375 | 6001 | 1 | Bowman Co 1 | 442 | 67 | 17.87% |
| 6017 | 17 | Rhame 17 | 65 | | | *closed - see Bowman Co 1* | | -65 | N/A |
| 6033 | 33 | Scranton 33 | 150 | 6033 | 33 | Scranton 33 | 163 | 13 | 8.67% |
| 7014 | 14 | Bowbells 14 | 76 | 7014 | 14 | Bowbells 14 | 68 | -8 | -10.53% |
| 7027 | 27 | Powers Lake 27 | 103 | 7027 | 27 | Powers Lake 27 | 118 | 15 | 14.56% |
| 7036 | 36 | Burke Central 36 | 84 | 7036 | 36 | Burke Central 36 | 87 | 3 | 3.57% |
| 8001 | 1 | Bismarck 1 | 10,549 | 8001 | 1 | Bismarck 1 | 10,650 | 101 | 0.96% |
| 8025 | 25 | Naughton 25 | 11 | 8025 | 25 | Naughton 25 | 3 | -8 | -72.73% |
| 8028 | 28 | Wing 28 | 84 | 8028 | 28 | Wing 28 | 90 | 6 | 7.14% |
| 8029 | 29 | Baldwin 29 | 17 | 8029 | 29 | Baldwin 29 | 19 | 2 | 11.76% |
| 8033 | 33 | Menoken 33 | 12 | 8033 | 33 | Menoken 33 | 12 | 0 | 0.00% |
| 8035 | 35 | Sterling 35 | 33 | 8035 | 35 | Sterling 35 | 38 | 5 | 15.15% |
| 8039 | 39 | Apple Creek 39 | 51 | 8039 | 39 | Apple Creek 39 | 55 | 4 | 7.84% |
| 8045 | 45 | Manning 45 | 4 | 8045 | 45 | Manning 45 | 5 | 1 | 25.00% |
| 9001 | 1 | Fargo 1 | 10,747 | 9001 | 1 | Fargo 1 | 10,646 | -101 | -0.94% |
| 9002 | 2 | Kindred 2 | 675 | 9002 | 2 | Kindred 2 | 691 | 16 | 2.37% |
| 9004 | 4 | Maple Valley 4 | 262 | 9004 | 4 | Maple Valley 4 | 261 | -1 | -0.38% |
| 9006 | 6 | West Fargo 6 | 5,677 | 9006 | 6 | West Fargo 6 | 5,901 | 224 | 3.95% |
| 9007 | 7 | Mapleton 7 | 76 | 9007 | 7 | Mapleton 7 | 67 | -9 | -11.84% |
| 9017 | 17 | Central Cass 17 | 821 | 9017 | 17 | Central Cass 17 | 822 | 1 | 0.12% |
| 9080 | 80 | Page 80 | 107 | 9080 | 80 | Page 80 | 98 | -9 | -8.41% |
| 9097 | 97 | Northern Cass 97 | 486 | 9097 | 97 | Northern Cass 97 | 505 | 19 | 3.91% |
| 10019 | 19 | Munich 19 | 108 | 10019 | 19 | Munich 19 | 106 | -2 | -1.85% |
| 10023 | 23 | Langdon Area 23 | 472 | 10023 | 23 | Langdon Area 23 | 449 | -23 | -4.87% |
| 11040 | 40 | Ellendale 40 | 358 | 11040 | 40 | Ellendale 40 | 358 | 0 | 0.00% |
| 11041 | 41 | Oakes 41 | 522 | 11041 | 41 | Oakes 41 | 527 | 5 | 0.96% |
| 12001 | 1 | Divide County 1 | 265 | 12001 | 1 | Divide County 1 | 237 | -28 | -10.57% |
| 13008 | 8 | Dodge 8 | 19 | 13008 | 8 | Dodge 8 | 15 | -4 | -21.05% |
| 13016 | 16 | Killdeer 16 | 383 | 13016 | 16 | Killdeer 16 | 360 | -23 | -6.01% |
| 13019 | 19 | Halliday 19 | 30 | 13019 | 19 | Halliday 19 | 28 | -2 | -6.67% |
| 13037 | 37 | Twin Buttes 37 | 41 | 13037 | 37 | Twin Buttes 37 | 44 | 3 | 7.32% |
| 14001 | 1 | New Rockford 1 | 375 | | | *closed - see New Rockford* | | -375 | N/A |
| 14012 | 12 | Sheyenne 12 | 93 | | | *closed - Sheyenne 2* | | -93 | N/A |
| | | *New School District* | | 14002 | 2 | New Rockford-Sheyenne 2 | 421 | 421 | N/A |
| 15006 | 6 | Hazelton-Moffit-Braddock 6 | 143 | 15006 | 6 | Hazelton-Moffit-Braddock 6 | 137 | -6 | -4.20% |
| 15010 | 10 | Bakker 10 | 5 | 15010 | 10 | Bakker 10 | 4 | -1 | -20.00% |

# CHANGE IN ENROLLMENT FROM 2005-2006 TO 2006-2007

| 2005 - 2006 Enrollment | | | | 2006 - 2007 Enrollment | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Co/Dist | Dist | [illegible] | [illegible] | Co/Dist | Dist | [illegible] | [illegible] | Change in Enrollment | Percent Change |
| 15015 | 15 | Strasburg 15 | 172 | 15015 | 15 | Strasburg 15 | 161 | -11 | -6.40% |
| 15036 | 36 | Linton 36 | 339 | 15036 | 36 | Linton 36 | 326 | -13 | -3.83% |
| 16049 | 49 | Carrington 49 | 647 | 16049 | 49 | Carrington 49 | 616 | -31 | -4.79% |
| 17003 | 3 | Beach 3 | 300 | 17003 | 3 | Beach 3 | 289 | -11 | -3.67% |
| 17006 | 6 | Lone Tree 6 | 41 | 17006 | 6 | Lone Tree 6 | 33 | -8 | -19.51% |
| 18001 | 1 | Grand Forks 1 | 7,453 | 18001 | 1 | Grand Forks 1 | 7,316 | -137 | -1.84% |
| 18044 | 44 | Larimore 44 | 528 | 18044 | 44 | Larimore 44 | 489 | -39 | -7.39% |
| 18061 | 61 | Thompson 61 | 413 | 18061 | 61 | Thompson 61 | 425 | 12 | 2.91% |
| 18125 | 125 | Manvel 125 | 142 | 18125 | 125 | Manvel 125 | 147 | 5 | 3.52% |
| 18127 | 127 | Emerado 127 | 68 | 18127 | 127 | Emerado 127 | 67 | -1 | -1.47% |
| 18128 | 128 | Midway 128 | 264 | 18128 | 128 | Midway 128 | 257 | -7 | -2.65% |
| 18129 | 129 | Northwood 129 | 315 | 18129 | 129 | Northwood 129 | 295 | -20 | -6.35% |
| 19018 | 18 | Roosevelt 18 | 153 | 19018 | 18 | Roosevelt 18 | 135 | -18 | -11.76% |
| 19049 | 49 | Elgin-New Leipzig 49 | 164 | 19049 | 49 | Elgin-New Leipzig 49 | 169 | 5 | 3.05% |
| 20007 | 7 | Midkota 7 | 140 | 20007 | 7 | Midkota 7 | 118 | -22 | -15.71% |
| 20018 | 18 | Griggs County Central 18 | 322 | 20018 | 18 | Griggs County Central 18 | 297 | -25 | -7.76% |
| 21001 | 1 | Mott-Regent 1 | 248 | 21001 | 1 | Mott-Regent 1 | 242 | -6 | -2.42% |
| 21009 | 9 | New England 9 | 170 | 21009 | 9 | New England 9 | 169 | -1 | -0.59% |
| 22011 | 11 | Pettibone-Tuttle 11 | 9 | 22011 | 11 | Pettibone-Tuttle 11 | 6 | -3 | -33.33% |
| 22014 | 14 | Robinson 14 | 11 | 22014 | 14 | Robinson 14 | 7 | -4 | -36.36% |
| 22020 | 20 | Tuttle-Pettibone 20 | 28 | 22020 | 20 | Tuttle-Pettibone 20 | 23 | -5 | -17.86% |
| 22026 | 26 | Steele-Dawson 26 | 292 | 22026 | 26 | Steele-Dawson 26 | 282 | -10 | -3.42% |
| 22028 | 28 | Tappen 28 | 95 | 22028 | 28 | Tappen 28 | 90 | -5 | -5.26% |
| 23003 | 3 | Edgeley 3 | 221 | 23003 | 3 | Edgeley 3 | 216 | -5 | -2.26% |
| 23007 | 7 | Kulm 7 | 120 | 23007 | 7 | Kulm 7 | 121 | 1 | 0.83% |
| 23008 | 8 | LaMoure 8 | 330 | 23008 | 8 | LaMoure 8 | 321 | -9 | -2.73% |
| 24002 | 2 | Napoleon 2 | 232 | 24002 | 2 | Napoleon 2 | 245 | 13 | 5.60% |
| 24056 | 56 | Gackle-Streeter 56 | 103 | 24056 | 56 | Gackle-Streeter 56 | 101 | -2 | -1.94% |
| 25001 | 1 | Velva 1 | 422 | 25001 | 1 | Velva 1 | 410 | -12 | -2.84% |
| 25014 | 14 | Anamoose 14 | 95 | 25014 | 14 | Anamoose 14 | 79 | -16 | -16.84% |
| 25057 | 57 | Drake 57 | 123 | 25057 | 57 | Drake 57 | 129 | 6 | 4.88% |
| 25060 | 60 | TGU 60 | 366 | 25060 | 60 | TGU 60 | 344 | -22 | -6.01% |
| 26004 | 4 | Zeeland 4 | 55 | 26004 | 4 | Zeeland 4 | 52 | -3 | -5.45% |
| 26009 | 9 | Ashley 9 | 153 | 26009 | 9 | Ashley 9 | 148 | -5 | -3.27% |
| 26019 | 19 | Wishek 19 | 249 | 26019 | 19 | Wishek 19 | 230 | -19 | -7.63% |
| 27001 | 1 | McKenzie Co 1 | 549 | 27001 | 1 | McKenzie Co 1 | 539 | -10 | -1.82% |
| 27002 | 2 | Alexander 2 | 46 | 27002 | 2 | Alexander 2 | 41 | -5 | -10.87% |
| 27014 | 14 | Yellowstone 14 | 48 | 27014 | 14 | Yellowstone 14 | 47 | -1 | -2.08% |
| 27018 | 18 | Earl 18 | 8 | 27018 | 18 | Earl 18 | 3 | -5 | -62.50% |
| 27032 | 32 | Horse Creek 32 | 6 | 27032 | 32 | Horse Creek 32 | 6 | 0 | 0.00% |
| 27036 | 36 | Mandaree 36 | 208 | 27036 | 36 | Mandaree 36 | 174 | -34 | -16.35% |
| 28001 | 1 | Montefiore 1 | 217 | 28001 | 1 | Montefiore 1 | 216 | -1 | -0.46% |
| 28004 | 4 | Washburn 4 | 305 | 28004 | 4 | Washburn 4 | 305 | 0 | 0.00% |
| 28008 | 8 | Underwood 8 | 206 | 28008 | 8 | Underwood 8 | 210 | 4 | 1.94% |
| 28050 | 50 | Max 50 | 156 | 28050 | 50 | Max 50 | 145 | -11 | -7.05% |
| 28051 | 51 | Garrison 51 | 340 | 28051 | 51 | Garrison 51 | 331 | -9 | -2.65% |
| 28072 | 72 | Turtle Lake-Mercer 72 | 173 | 28072 | 72 | Turtle Lake-Mercer 72 | 166 | -7 | -4.05% |
| 28085 | 85 | White Shield 85 | 121 | 28085 | 85 | White Shield 85 | 124 | 3 | 2.48% |
| 29003 | 3 | Hazen 3 | 652 | 29003 | 3 | Hazen 3 | 640 | -12 | -1.84% |
| 29020 | 20 | Golden Valley 20 | 46 | 29020 | 20 | Golden Valley 20 | 37 | -9 | -19.57% |
| 29027 | 27 | Beulah 27 | 761 | 29027 | 27 | Beulah 27 | 726 | -35 | -4.60% |

## CHANGE IN ENROLLMENT FROM 2005-2006 TO 2006-2007

| 2005 - 2006 Enrollment | | | | 2006 - 2007 Enrollment | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| County | DID | District | Total | County | DID | District | Total | Change in Enrollment | Percent Change |
| 30001 | 1 | Mandan 1 | 3,165 | 30001 | 1 | Mandan 1 | 3,144 | -21 | -0.66% |
| 30004 | 4 | Little Heart 4 | 25 | 30004 | 4 | Little Heart 4 | 16 | -9 | -36.00% |
| 30007 | 7 | New Salem 7 | 340 | 30007 | 7 | New Salem 7 | 329 | -11 | -3.24% |
| 30008 | 8 | Sims 8 | 20 | 30008 | 8 | Sims 8 | 20 | 0 | 0.00% |
| 30013 | 13 | Hebron 13 | 164 | 30013 | 13 | Hebron 13 | 162 | -2 | -1.22% |
| 30017 | 17 | Sweet Briar 17 | 9 | 30017 | 17 | Sweet Briar 17 | 9 | 0 | 0.00% |
| 30039 | 39 | Flasher 39 | 211 | 30039 | 39 | Flasher 39 | 220 | 9 | 4.27% |
| 30048 | 48 | Glen Ullin 48 | 197 | 30048 | 48 | Glen Ullin 48 | 173 | -24 | -12.18% |
| 31001 | 1 | New Town 1 | 731 | 31001 | 1 | New Town 1 | 707 | -24 | -3.28% |
| 31002 | 2 | Stanley 2 | 340 | 31002 | 2 | Stanley 2 | 350 | 10 | 2.94% |
| 31003 | 3 | Parshall 3 | 276 | 31003 | 3 | Parshall 3 | 270 | -6 | -2.17% |
| 32001 | 1 | Dakota Prairie 1 | 292 | 32001 | 1 | Dakota Prairie 1 | 273 | -19 | -6.51% |
| 32066 | 66 | Lakota 66 | 232 | 32066 | 66 | Lakota 66 | 217 | -15 | -6.47% |
| 33001 | 1 | Center-Stanton 1 | 265 | 33001 | 1 | Center-Stanton 1 | 255 | -10 | -3.77% |
| 34006 | 6 | Cavalier 6 | 510 | 34006 | 6 | Cavalier 6 | 431 | -79 | -15.49% |
| 34012 | 12 | Valley 12 | 160 | 34012 | 12 | Valley 12 | 162 | 2 | 1.25% |
| 34019 | 19 | Drayton 19 | 153 | 34019 | 19 | Drayton 19 | 144 | -9 | -5.88% |
| 34043 | 43 | St Thomas 43 | 105 | 34043 | 43 | St Thomas 43 | 119 | 14 | 13.33% |
| 34100 | 100 | North Border 100 | 485 | 34100 | 100 | North Border 100 | 477 | -8 | -1.65% |
| 35001 | 1 | Wolford 1 | 48 | 35001 | 1 | Wolford 1 | 46 | -2 | -4.17% |
| 35005 | 5 | Rugby 5 | 546 | 35005 | 5 | Rugby 5 | 528 | -18 | -3.30% |
| 36001 | 1 | Devils Lake 1 | 1,810 | 36001 | 1 | Devils Lake 1 | 1,756 | -54 | -2.98% |
| 36002 | 2 | Edmore 2 | 80 | 36002 | 2 | Edmore 2 | 79 | -1 | -1.25% |
| 36044 | 44 | Starkweather 44 | 95 | 36044 | 44 | Starkweather 44 | 87 | -8 | -8.42% |
| 37002 | 2 | Sheldon 2 | 25 | 37002 | 2 | Sheldon 2 | 21 | -4 | -16.00% |
| 37006 | 6 | Ft Ransom 6 | 16 | 37006 | 6 | Ft Ransom 6 | 23 | 7 | 43.75% |
| 37019 | 19 | Lisbon 19 | 640 | 37019 | 19 | Lisbon 19 | 641 | 1 | 0.16% |
| 37022 | 22 | Enderlin 22 | 308 | 37022 | 22 | Enderlin 22 | 305 | -3 | -0.97% |
| 38001 | 1 | 1 | 332 | 38001 | 1 | 1 | 317 | -15 | -4.52% |
| 38026 | 26 | Glenburn 26 | 291 | 38026 | 26 | Glenburn 26 | 260 | -31 | -10.65% |
| 39008 | 8 | Hankinson 8 | 318 | 39008 | 8 | Hankinson 8 | 312 | -6 | -1.89% |
| 39018 | 18 | Fairmount 18 | 108 | 39018 | 18 | Fairmount 18 | 125 | 17 | 15.74% |
| 39028 | 28 | Lidgerwood 28 | 197 | 39028 | 28 | Lidgerwood 28 | 196 | -1 | -0.51% |
| 39037 | 37 | Wahpeton 37 | 1,378 | 39037 | 37 | Wahpeton 37 | 1,295 | -83 | -6.02% |
| 39042 | 42 | Wyndmere 42 | 242 | 39042 | 42 | Wyndmere 42 | 242 | 0 | 0.00% |
| 39044 | 44 | Richland 44 | 327 | 39044 | 44 | Richland 44 | 317 | -10 | -3.06% |
| 40001 | 1 | Dunseith 1 | 405 | 40001 | 1 | Dunseith 1 | 423 | 18 | 4.44% |
| 40003 | 3 | St John 3 | 313 | 40003 | 3 | St John 3 | 315 | 2 | 0.64% |
| 40004 | 4 | Mt Pleasant 4 | 281 | 40004 | 4 | Mt Pleasant 4 | 259 | -22 | -7.83% |
| 40007 | 7 | Belcourt 7 | 1,683 | 40007 | 7 | Belcourt 7 | 1,625 | -58 | -3.45% |
| 40029 | 29 | Rolette 29 | 173 | 40029 | 29 | Rolette 29 | 168 | -5 | -2.89% |
| 41002 | 2 | Milnor 2 | 293 | 41002 | 2 | Milnor 2 | 292 | -1 | -0.34% |
| 41003 | 3 | North Sargent 3 | 226 | 41003 | 3 | North Sargent 3 | 234 | 8 | 3.54% |
| 41006 | 6 | Sargent Central 6 | 285 | 41006 | 6 | Sargent Central 6 | 273 | -12 | -4.21% |
| 42016 | 16 | Goodrich 16 | 44 | 42016 | 16 | Goodrich 16 | 41 | -3 | -6.82% |
| 42019 | 19 | McClusky 19 | 94 | 42019 | 19 | McClusky 19 | 102 | 8 | 8.51% |
| 43003 | 3 | Solen 3 | 171 | 43003 | 3 | Solen 3 | 157 | -14 | -8.19% |
| 43004 | 4 | Ft Yates 4 | 223 | 43004 | 4 | Ft Yates 4 | 198 | -25 | -11.21% |
| 43008 | 8 | Selfridge 8 | 42 | 43008 | 8 | Selfridge 8 | 44 | 2 | 4.76% |
| 44012 | 12 | Marmarth 12 | 9 | 44012 | 12 | Marmarth 12 | 10 | 1 | 11.11% |
| 44032 | 32 | Central Elem 32 | 4 | 44032 | 32 | Central Elem 32 | 6 | 2 | 50.00% |

# CHANGE IN ENROLLMENT FROM 2005-2006 TO 2006-2007

| 2005 - 2006 Enrollment | | | | 2006 - 2007 Enrollment | | | | Change in Enrollment | Percent Change |
|---|---|---|---|---|---|---|---|---|---|
| County | District | District Name | Fall | County | District | District Name | Fall | | |
| 45001 | 1 | Dickinson 1 | 2,592 | 45001 | 1 | Dickinson 1 | 2,599 | 7 | 0.27% |
| 45009 | 9 | South Heart 9 | 244 | 45009 | 9 | South Heart 9 | 236 | -8 | -3.28% |
| 45013 | 13 | Belfield 13 | 211 | 45013 | 13 | Belfield 13 | 204 | -7 | -3.32% |
| 45034 | 34 | Richardton-Taylor 34 | 271 | 45034 | 34 | Richardton-Taylor 34 | 256 | -15 | -5.54% |
| 46010 | 10 | Hope 10 | 133 | 46010 | 10 | Hope 10 | 120 | -13 | -9.77% |
| 46019 | 19 | Finley-Sharon 19 | 173 | 46019 | 19 | Finley-Sharon 19 | 171 | -2 | -1.16% |
| 47001 | 1 | Jamestown 1 | 2,346 | 47001 | 1 | Jamestown 1 | 2,237 | -109 | -4.65% |
| 47003 | 3 | Medina 3 | 154 | 47003 | 3 | Medina 3 | 160 | 6 | 3.90% |
| 47010 | 10 | Pingree-Buchanan 10 | 163 | 47010 | 10 | Pingree-Buchanan 10 | 156 | -7 | -4.29% |
| 47014 | 14 | Montpelier 14 | 95 | 47014 | 14 | Montpelier 14 | 111 | 16 | 16.84% |
| 47019 | 19 | Kensal 19 | 55 | 47019 | 19 | Kensal 19 | 50 | -5 | -9.09% |
| 47026 | 26 | Spiritwood 26 | 18 | 47026 | 26 | Spiritwood 26 | 10 | -8 | -44.44% |
| 48002 | 2 | Bisbee-Egeland 2 | 69 | 48002 | 2 | Bisbee-Egeland 2 | 56 | -13 | -18.84% |
| 48008 | 8 | Southern 8 | 208 | 48008 | 8 | Southern 8 | 204 | -4 | -1.92% |
| 48028 | 28 | North Central 28 | 76 | 48028 | 28 | North Central 28 | 62 | -14 | -18.42% |
| 49003 | 3 | Central Valley 3 | 274 | 49003 | 3 | Central Valley 3 | 263 | -11 | -4.01% |
| 49007 | 7 | Hatton 7 | 240 | 49007 | 7 | Hatton 7 | 221 | -19 | -7.92% |
| 49009 | 9 | Hillsboro 9 | 410 | 49009 | 9 | Hillsboro 9 | 405 | -5 | -1.22% |
| 49014 | 14 | May-Port CG 14 | 583 | 49014 | 14 | May-Port CG 14 | 565 | -18 | -3.09% |
| 50003 | 3 | Grafton 3 | 947 | 50003 | 3 | Grafton 3 | 895 | -52 | -5.49% |
| 50005 | 5 | Fordville-Lankin 5 | 103 | 50005 | 5 | Fordville-Lankin 5 | 94 | -9 | -8.74% |
| 50020 | 20 | Minto 20 | 231 | 50020 | 20 | Minto 20 | 236 | 5 | 2.16% |
| 50051 | 51 | Nash 51 | 15 | 50051 | 51 | Nash 51 | 18 | 3 | 20.00% |
| 50078 | 78 | Park River 78 | 404 | 50078 | 78 | Park River 78 | 415 | 11 | 2.72% |
| 50106 | 106 | Edinburg 106 | 128 | 50106 | 106 | Edinburg 106 | 122 | -6 | -4.69% |
| 50128 | 128 | Adams 128 | 75 | 50128 | 128 | Adams 128 | 67 | -8 | -10.67% |
| 51001 | 1 | Minot 1 | 6,476 | 51001 | 1 | Minot 1 | 6,411 | -65 | -1.00% |
| 51004 | 4 | Nedrose 4 | 239 | 51004 | 4 | Nedrose 4 | 224 | -15 | -6.28% |
| 51007 | 7 | United 7 | 563 | 51007 | 7 | United 7 | 545 | -18 | -3.20% |
| 51010 | 10 | Bell 10 | 147 | 51010 | 10 | Bell 10 | 157 | 10 | 6.80% |
| 51016 | 16 | Sawyer 16 | 123 | 51016 | 16 | Sawyer 16 | 134 | 11 | 8.94% |
| 51019 | 19 | Eureka 19 | 11 | 51019 | 19 | Eureka 19 | 10 | -1 | -9.09% |
| 51028 | 28 | Kenmare 28 | 273 | 51028 | 28 | Kenmare 28 | 283 | 10 | 3.66% |
| 51041 | 41 | Surrey 41 | 352 | 51041 | 41 | Surrey 41 | 332 | -20 | -5.68% |
| 51070 | 70 | South Prairie 70 | 146 | 51070 | 70 | South Prairie 70 | 141 | -5 | -3.42% |
| 51161 | 161 | Lewis and Clark 161 | 383 | 51161 | 161 | Lewis and Clark 161 | 370 | -13 | -3.39% |
| 52025 | 25 | Fessenden-Bowdon 25 | 184 | 52025 | 25 | Fessenden-Bowdon 25 | 186 | 2 | 1.09% |
| 52035 | 35 | Pleasant Valley 35 | 16 | 52035 | 35 | Pleasant Valley 35 | 16 | 0 | 0.00% |
| 52038 | 38 | Harvey 38 | 464 | 52038 | 38 | Harvey 38 | 436 | -28 | -6.03% |
| 53001 | 1 | Williston 1 | 2,157 | 53001 | 1 | Williston 1 | 2,136 | -21 | -0.97% |
| 53002 | 2 | Nesson 2 | 158 | 53002 | 2 | Nesson 2 | 159 | 1 | 0.63% |
| 53006 | 6 | Eight Mile 6 | 230 | 53006 | 6 | Eight Mile 6 | 225 | -5 | -2.17% |
| 53008 | 8 | New 8 | 204 | 53008 | 8 | New 8 | 202 | -2 | -0.98% |
| 53015 | 15 | Tioga 15 | 244 | 53015 | 15 | Tioga 15 | 234 | -10 | -4.10% |
| 53091 | 91 | Wildrose-Alamo 91 | 37 | | | [1] Closed | | -37 | N/A |
| 53099 | 99 | Grenora 99 | 49 | 53099 | 99 | Grenora 99 | 53 | 4 | 8.16% |
| | | | 97,120 | | | | 95,600 | -1,520 | -1.57% |

[1] Students are going to Nesson, Divide County, Grenora, and Tioga School Districts

Ye[illegible] Projection

B

502,310
531,285
1,033,595

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 75 % ~~100%~~ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 378 | 1,098,833 | 1,175,752 | 76,919 | 7.0% | 1,152,466 | 7,253 | 165.85 | 321 | 21,363 | - |
| 2002 | Valley City 2 | 1,161 | 3,679,985 | 4,355,125 | 675,140 | 18.3% | 3,140,246 | 6,989 | 185.00 | 1,073 | 15,813 | - |
| 2046 | Litchville-Marion 46 | 218 | 545,525 | 559,164 | 13,639 | 2.5% | 1,029,571 | 9,777 | 150.48 | 163 | 42,000 | - |
| 2065 | N Central 65 | 193 | 429,984 | 440,734 | 10,750 | 2.5% | 1,034,215 | 10,207 | 158.16 | 145 | 45,253 | - |
| 2082 | Wimbledon-Courtenay 8 | 198 | 450,062 | 461,314 | 11,251 | 2.5% | 993,137 | 9,894 | 165.13 | 147 | 40,819 | 13,748.79 |
| 3005 | Minnewaukan 5 | 278 | 849,572 | 1,183,122 | 333,550 | 39.3% | 264,993 | 6,929 | 166.43 | 209 | 7,618 | - |
| 3006 | Leeds 6 | 215 | 609,274 | 651,924 | 42,650 | 7.0% | 758,238 | 8,786 | 158.39 | 161 | 29,598 | - |
| 3009 | Maddock 9 | 239 | 740,076 | 777,431 | 37,355 | 5.0% | 764,284 | 8,637 | 176.75 | 179 | 24,135 | - |
| 3016 | Oberon 16 | 49 | 143,003 | 153,013 | 10,010 | 7.0% | 117,656 | 7,416 | 112.56 | 37 | 28,638 | 14,989.97 |
| 3029 | Warwick 29 | 243 | 886,227 | 970,960 | 84,733 | 9.6% | 183,001 | 6,340 | 149.16 | 182 | 6,741 | - |
| 3030 | Ft Totten 30 | 254 | 868,321 | 967,680 | 99,359 | 11.4% | 22,229 | 5,380 | 185.00 | 184 | 653 | - |
| 4001 | Billings Co 1 | 61 | 2,419 | 2,480 | 61 | 2.5% | 1,008,758 | 22,225 | - | 46 | 601,817 | - |
| 5001 | Bottineau 1 | 729 | 2,274,397 | 2,331,255 | 56,858 | 2.5% | 2,291,028 | 6,998 | 145.53 | 661 | 22,687 | - |
| 5017 | Westhope 17 | 183 | 465,755 | 498,359 | 32,604 | 7.0% | 687,866 | 9,021 | 164.68 | 132 | 30,890 | - |
| 5054 | Newburg-United 54 | 116 | 181,774 | 186,319 | 4,545 | 2.5% | 853,654 | 14,648 | 159.31 | 71 | 74,600 | 20,455.14 |
| 6001 | Bowman County 1 | 492 | 1,474,200 | 1,511,052 | 36,853 | 2.5% | 2,543,905 | 9,598 | 151.83 | 423 | 34,489 | - |
| 6033 | Scranton 33 | 212 | 579,011 | 593,486 | 14,475 | 2.5% | 919,298 | 9,575 | 139.17 | 158 | 37,075 | - |
| 7014 | Bowbells 14 | 91 | 223,019 | 228,595 | 5,576 | 2.5% | 569,416 | 11,735 | 156.48 | 68 | 50,943 | - |
| 7027 | Powers Lake 27 | 154 | 440,569 | 471,409 | 30,839 | 7.0% | 522,587 | 8,606 | 182.75 | 116 | 22,965 | - |
| 7036 | Burke Central 36 | 111 | 252,431 | 258,742 | 6,311 | 2.5% | 716,179 | 11,889 | 169.20 | 82 | 49,363 | 18,689.02 |
| 8001 | Bismarck 1 | 11,374 | 34,301,925 | 38,303,146 | 4,001,221 | 11.7% | 42,944,172 | 7,833 | 229.17 | 10,372 | 17,934 | - |
| 8025 | Naughton 25 | 4 | 38,489 | 39,451 | 962 | 2.5% | 53,347 | 30,933 | 167.64 | 3 | 103,417 | - |
| 8028 | Wing 28 | 120 | 333,472 | 356,816 | 23,344 | 7.0% | 351,448 | 7,914 | 141.13 | 90 | 27,003 | - |
| 8029 | Baldwin 29 | 23 | 60,486 | 61,998 | 1,512 | 2.5% | 126,979 | 10,799 | 136.24 | 18 | 51,704 | - |
| 8033 | Menoken 33 | 16 | 20,977 | 21,501 | 524 | 2.5% | 212,139 | 19,470 | 166.26 | 12 | 106,329 | - |
| 8035 | Sterling 35 | 45 | 82,077 | 84,129 | 2,052 | 2.5% | 354,499 | 13,093 | 166.69 | 34 | 63,451 | 22,948.05 |
| 8039 | Apple Creek 39 | 67 | 188,595 | 193,309 | 4,715 | 2.5% | 212,550 | 8,117 | 89.27 | 50 | 46,358 | 20,285.13 |
| 8045 | Manning 45 | 6 | 22,914 | 23,487 | 573 | 2.5% | 55,426 | 17,536 | 219.94 | 5 | 56,001 | - |
| 9001 | Fargo 1 | 11,291 | 32,106,643 | 34,354,103 | 2,247,460 | 7.0% | 62,202,912 | 9,342 | 278.62 | 10,336 | 21,566 | - |
| 9002 | Kindred 2 | 716 | 2,066,427 | 2,211,075 | 144,649 | 7.0% | 2,243,324 | 6,713 | 169.89 | 664 | 19,892 | - |
| 9004 | Maple Valley 4 | 342 | 862,907 | 912,468 | 49,561 | 5.7% | 1,648,894 | 10,084 | 175.81 | 254 | 36,925 | - |
| 9006 | West Fargo 6 | 6,289 | 17,249,837 | 18,457,358 | 1,207,521 | 7.0% | 23,911,685 | 7,367 | 185.00 | 5,751 | 22,374 | - |
| 9007 | Mapleton 7 | 82 | 265,292 | 271,925 | 6,632 | 2.5% | 475,025 | 12,146 | 140.96 | 62 | 54,796 | 18,367.73 |
| 9017 | Central Cass 17 | 881 | 2,564,733 | 2,744,261 | 179,527 | 7.0% | 2,241,894 | 6,156 | 155.38 | 810 | 17,669 | - |
| 9080 | Page 80 | 127 | 333,952 | 342,301 | 8,348 | 2.5% | 644,206 | 10,439 | 166.76 | 95 | 40,879 | 16,651.72 |
| 9097 | Northern Cass | 536 | 1,435,497 | 1,535,984 | 100,487 | 7.0% | 1,971,257 | 7,158 | 170.54 | 490 | 23,538 | - |
| 10019 | Munich 19 | 169 | 362,702 | 384,146 | 21,444 | 5.9% | 646,207 | 10,003 | 148.37 | 103 | 42,285 | - |
| 10023 | Langdon Area 23 | 502 | 1,259,216 | 1,347,362 | 88,146 | 7.0% | 2,327,196 | 8,049 | 157.50 | 457 | 32,202 | - |
| 11040 | Ellendale 40 | 404 | 1,180,147 | 1,262,758 | 82,611 | 7.0% | 1,204,878 | 7,101 | 172.55 | 348 | 20,074 | - |
| 11041 | Oakes 41 | 561 | 1,609,625 | 1,722,301 | 112,676 | 7.0% | 1,809,238 | 6,891 | 183.93 | 513 | 19,034 | - |



RM 4/18/07

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12001 | Divide County 1 | 321 | 913,176 | 936,005 | 22,829 | 2.5% | 1,336,024 | 9,255 | 140.93 | 246 | 36,198 | - |
| 13008 | Dodge 8 | 19 | 69,873 | 71,620 | 1,747 | 2.5% | 151,185 | 15,915 | 185.00 | 14 | 55,248 | - |
| 13016 | Killdeer 16 | 407 | 1,163,769 | 1,245,231 | 81,462 | 7.0% | 1,579,452 | 7,968 | 158.78 | 355 | 26,367 | - |
| 13019 | Halliday 19 | 37 | 83,323 | 85,406 | 2,083 | 2.5% | 353,885 | 15,689 | 171.31 | 28 | 72,732 | - |
| 13037 | Twin Buttes 37 | 57 | 212,494 | 217,807 | 5,312 | 2.5% | 41,901 | 6,258 | - | 42 | 598 | - |
| 14002 | New Rockford-Sheyenn | 492 | 1,534,014 | 1,598,499 | 64,485 | 4.2% | 1,177,094 | 6,616 | 165.00 | 420 | 17,002 | - |
| 15006 | Hazelton-Moffit-Braddoc | 183 | 478,637 | 512,142 | 33,505 | 7.0% | 628,415 | 8,417 | 152.64 | 136 | 30,221 | - |
| 15010 | Bakker 10 | 5 | 192 | 197 | 5 | 2.5% | 115,721 | 28,980 | 101.81 | 4 | 284,160 | - |
| 15015 | Strasburg 15 | 212 | 640,122 | 662,779 | 22,658 | 3.5% | 497,811 | 7,369 | 142.50 | 158 | 21,804 | - |
| 15036 | Linton 36 | 376 | 1,133,780 | 1,213,146 | 79,366 | 7.0% | 941,644 | 6,808 | 171.03 | 317 | 17,396 | - |
| 16049 | Carrington 49 | 662 | 1,900,092 | 2,033,096 | 133,004 | 7.0% | 2,072,890 | 6,843 | 150.67 | 600 | 22,571 | - |
| 17003 | Beach 3 | 354 | 1,109,638 | 1,137,379 | 27,741 | 2.5% | 1,696,826 | 10,050 | 145.42 | 282 | 23,202 | - |
| 17006 | Lone Tree 6 | 44 | 121,740 | 124,783 | 3,043 | 2.5% | 203,482 | 10,258 | 106.68 | 32 | 50,745 | 21,956.54 |
| 18001 | Grand Forks 1 | 7,717 | 23,194,986 | 24,818,596 | 1,623,610 | 7.0% | 34,176,403 | 8,363 | 208.62 | 7,055 | 21,945 | - |
| 18044 | Larimore 44 | 539 | 1,668,670 | 1,922,399 | 253,728 | 15.2% | 1,490,789 | 6,952 | 180.31 | 491 | 16,416 | - |
| 18061 | Thompson 61 | 451 | 1,319,511 | 1,574,232 | 254,721 | 19.3% | 1,174,752 | 6,697 | 178.49 | 411 | 15,976 | - |
| 18125 | Manvel 125 | 209 | 668,903 | 685,625 | 16,723 | 2.5% | 196,446 | 6,278 | 49.61 | 141 | 28,184 | 8,277.28 |
| 18127 | Emerado 127 | 88 | 302,861 | 310,433 | 7,572 | 2.5% | 337,934 | 9,975 | 151.84 | 65 | 34,240 | 17,428.48 |
| 18128 | Midway 128 | 318 | 839,071 | 897,805 | 58,733 | 7.0% | 1,169,996 | 8,406 | 190.97 | 246 | 24,905 | - |
| 18129 | Northwood 129 | 360 | 1,051,886 | 1,125,517 | 73,631 | 7.0% | 1,098,947 | 7,644 | 185.00 | 291 | 20,285 | - |
| 19018 | Roosevelt 18 | 167 | 557,105 | 571,032 | 13,928 | 2.5% | 418,576 | 7,583 | 159.80 | 131 | 19,774 | 11,072.23 |
| 19049 | Elgin-New Leipzig 49 | 220 | 630,643 | 674,789 | 44,145 | 7.0% | 841,241 | 9,272 | 188.24 | 164 | 27,326 | - |
| 20007 | Midkota 7 | 159 | 416,239 | 426,644 | 10,406 | 2.5% | 1,081,194 | 12,778 | 185.00 | 118 | 49,528 | 14,594.22 |
| 20018 | Griggs County Central 1 | 361 | 1,054,484 | 1,128,298 | 73,814 | 7.0% | 1,209,756 | 8,062 | 190.00 | 290 | 21,851 | - |
| 21001 | Mott-Regent 1 | 309 | 819,844 | 877,233 | 57,389 | 7.0% | 1,055,721 | 8,139 | 144.25 | 238 | 30,787 | - |
| 21009 | New England 9 | 218 | 570,461 | 610,395 | 39,933 | 7.0% | 1,019,363 | 10,029 | 170.50 | 163 | 35,411 | - |
| 22011 | Pettibone-Tuttle 11 | 8 | 16,886 | 17,309 | 422 | 2.5% | 225,379 | 40,448 | 187.48 | 6 | 200,358 | - |
| 22014 | Robinson 14 | 25 | 52,930 | 54,253 | 1,323 | 2.5% | 203,575 | 39,666 | 163.92 | 7 | 191,064 | - |
| 22020 | Tuttle-Pettibone 20 | 31 | 76,804 | 78,725 | 1,920 | 2.5% | 376,162 | 19,778 | 171.40 | 23 | 87,034 | - |
| 22026 | Steele-Dawson 26 | 348 | 965,665 | 1,033,261 | 67,596 | 7.0% | 856,983 | 6,849 | 161.23 | 276 | 18,761 | - |
| 22028 | Tappen 28 | 115 | 363,583 | 374,234 | 10,651 | 2.9% | 352,457 | 8,450 | 195.00 | 86 | 20,942 | 14,348.89 |
| 23003 | Edgeley 3 | 285 | 813,708 | 870,666 | 56,958 | 7.0% | 961,975 | 8,524 | 156.20 | 215 | 28,630 | - |
| 23007 | Kulm 7 | 159 | 343,179 | 351,757 | 8,579 | 2.5% | 1,006,088 | 11,556 | 170.04 | 118 | 50,342 | 16,421.21 |
| 23008 | LaMoure 8 | 370 | 1,082,313 | 1,158,073 | 75,761 | 7.0% | 1,091,277 | 7,209 | 148.21 | 312 | 23,106 | - |
| 24002 | Napoleon 2 | 305 | 870,967 | 931,935 | 60,967 | 7.0% | 686,319 | 6,872 | 162.60 | 236 | 17,915 | - |
| 24056 | Gackle 14 | 134 | 291,942 | 299,241 | 7,299 | 2.5% | 700,021 | 9,993 | 141.76 | 100 | 49,381 | - |
| 25001 | Velva 1 | 439 | 1,271,061 | 1,360,033 | 88,972 | 7.0% | 1,236,691 | 6,541 | 148.96 | 397 | 20,602 | - |
| 25014 | Anamoose 14 | 103 | 321,662 | 334,395 | 12,733 | 4.0% | 368,185 | 9,124 | 178.81 | 77 | 26,499 | 12,266.96 |
| 25057 | Drake 57 | 167 | 432,194 | 462,447 | 30,253 | 7.0% | 621,506 | 8,742 | 161.54 | 124 | 31,018 | - |
| 25060 | TGU 60 | 390 | 962,232 | 1,029,591 | 67,358 | 7.0% | 1,847,665 | 8,640 | 153.81 | 333 | 35,841 | - |

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 26004 | Zeeland 4 | 96 | 201,797 | 206,842 | 5,045 | 2.5% | 440,602 | 12,949 | 160.95 | 50 | 54,750 | 19,954.97 |
| 26009 | Ashley 9 | 190 | 544,140 | 582,228 | 38,089 | 7.0% | 629,197 | 8,561 | 153.21 | 142 | 29,023 | - |
| 26019 | Wishek 19 | 294 | 853,594 | 913,344 | 59,750 | 7.0% | 722,026 | 7,268 | 147.36 | 225 | 21,083 | - |
| 27001 | McKenzie Co 1 | 572 | 1,626,070 | 1,739,894 | 113,824 | 7.0% | 2,682,733 | 8,464 | 145.06 | 523 | 31,590 | - |
| 27002 | Alexander 2 | 83 | 132,395 | 135,706 | 3,310 | 2.5% | 502,492 | 17,019 | 142.04 | 38 | 91,103 | - |
| 27014 | Yellowstone 14 | 110 | 319,512 | 341,878 | 22,366 | 7.0% | 375,409 | 9,255 | 155.27 | 78 | 27,734 | 2,634.18 |
| 27018 | Earl | 19 | 811 | 831 | 20 | 2.5% | 34,223 | 2,921 | - | 12 | 145,064 | - |
| 27032 | Horse Creek 32 | 8 | 288 | 295 | 7 | 2.5% | 108,903 | 18,200 | 46.98 | 6 | 260,049 | - |
| 27036 | Mandaree 36 | 234 | 866,039 | 887,691 | 21,652 | 2.5% | 221,964 | 6,527 | 82.22 | 170 | 12,035 | - |
| 28001 | Montefiore 1 | 281 | 851,354 | 910,949 | 59,596 | 7.0% | 698,705 | 7,557 | 150.71 | 213 | 20,919 | - |
| 28004 | Washburn 4 | 362 | 1,055,150 | 1,121,548 | 66,398 | 6.3% | 957,760 | 6,978 | 139.87 | 298 | 21,774 | - |
| 28008 | Underwood 8 | 275 | 768,455 | 822,246 | 53,791 | 7.0% | 996,815 | 8,745 | 164.09 | 208 | 27,915 | - |
| 28050 | Max 50 | 193 | 587,562 | 625,152 | 37,591 | 6.4% | 631,618 | 8,819 | 171.39 | 143 | 24,907 | - |
| 28051 | Garrison 51 | 389 | 1,072,970 | 1,148,079 | 75,109 | 7.0% | 1,515,578 | 8,084 | 161.98 | 330 | 27,059 | - |
| 28072 | Turtle Lake-Mercer 72 | 215 | 609,173 | 624,402 | 15,229 | 2.5% | 888,005 | 9,453 | 154.38 | 160 | 34,655 | - |
| 28085 | White Shield 85 | 159 | 552,067 | 604,902 | 52,836 | 9.6% | 149,394 | 6,447 | 185.00 | 117 | 5,867 | - |
| 29003 | Hazen 3 | 692 | 2,257,749 | 2,663,998 | 406,249 | 18.0% | 2,006,628 | 7,379 | 185.00 | 633 | 15,208 | - |
| 29020 | Golden Valley 20 | 48 | 137,111 | 140,539 | 3,428 | 2.5% | 288,915 | 11,929 | 170.88 | 36 | 43,758 | 21,572.11 |
| 29027 | Beulah 27 | 760 | 2,466,849 | 2,528,520 | 61,671 | 2.5% | 2,827,535 | 7,668 | 185.65 | 699 | 19,827 | - |
| 30001 | Mandan 1 | 3,381 | 10,352,574 | 12,845,951 | 2,493,377 | 24.1% | 9,092,100 | 7,040 | 185.00 | 3,116 | 15,528 | - |
| 30004 | Little Heart 4 | 21 | 58,540 | 60,004 | 1,464 | 2.5% | 109,999 | 10,968 | 130.04 | 16 | 54,573 | - |
| 30007 | New Salem 7 | 375 | 1,148,339 | 1,214,571 | 66,232 | 5.8% | 787,808 | 6,277 | 149.15 | 319 | 15,668 | - |
| 30008 | Sims 8 | 25 | 43,884 | 44,981 | 1,097 | 2.5% | 181,996 | 11,946 | 118.51 | 19 | 80,826 | - |
| 30013 | Hebron 13 | 217 | 598,274 | 640,152 | 41,879 | 7.0% | 704,634 | 8,431 | 166.40 | 160 | 26,029 | - |
| 30017 | Sweet Briar 17 | 11 | 27,378 | 28,062 | 684 | 2.5% | 27,106 | 6,896 | 70.99 | 8 | 47,729 | - |
| 30039 | Flasher 39 | 283 | 871,772 | 1,039,124 | 167,352 | 19.2% | 601,050 | 7,647 | 181.55 | 215 | 15,377 | - |
| 30048 | Glen Ullin 48 | 225 | 721,449 | 739,484 | 18,035 | 2.5% | 769,385 | 8,981 | 162.42 | 168 | 27,420 | 6,964.73 |
| 31001 | New Town 1 | 768 | 2,578,984 | 3,078,391 | 499,407 | 19.4% | 891,763 | 5,704 | 163.90 | 696 | 7,147 | - |
| 31002 | Stanley 2 | 395 | 1,152,392 | 1,233,059 | 80,666 | 7.0% | 1,137,715 | 6,952 | 171.41 | 341 | 19,261 | - |
| 31003 | Parshall 3 | 336 | 930,213 | 1,028,263 | 98,050 | 10.5% | 655,468 | 6,378 | 156.49 | 264 | 15,411 | - |
| 32001 | Dakota Prairie 1 | 341 | 888,092 | 911,143 | 23,052 | 2.6% | 1,805,290 | 10,193 | 185.00 | 267 | 36,617 | 1,948.49 |
| 32066 | Lakota 66 | 286 | 847,110 | 906,408 | 59,299 | 7.0% | 898,902 | 8,397 | 185.00 | 215 | 22,464 | - |
| 33001 | Center-Stanton 1 | 319 | 1,044,715 | 1,070,834 | 26,119 | 2.5% | 1,283,265 | 9,531 | 174.98 | 247 | 27,402 | - |
| 34006 | Cavalier 6 | 479 | 1,509,169 | 1,555,803 | 46,634 | 3.1% | 1,696,548 | 7,537 | 185.00 | 432 | 21,114 | - |
| 34012 | Valley 12 | 207 | 574,013 | 614,195 | 40,182 | 7.0% | 827,118 | 9,329 | 184.97 | 155 | 27,853 | - |
| 34019 | Drayton 19 | 181 | 415,493 | 425,879 | 10,387 | 2.5% | 1,014,424 | 10,630 | 181.83 | 136 | 41,053 | 14,613.16 |
| 34043 | St Thomas 43 | 154 | 404,054 | 432,338 | 28,284 | 7.0% | 608,303 | 9,089 | 185.00 | 115 | 28,717 | - |
| 34100 | North Border 100 | 623 | 1,674,017 | 1,791,197 | 117,180 | 7.0% | 2,340,560 | 8,735 | 184.77 | 473 | 26,747 | - |
| 35001 | Wolford 1 | 76 | 199,956 | 204,955 | 4,999 | 2.5% | 326,033 | 11,800 | 191.95 | 45 | 37,735 | 20,001.33 |
| 35005 | Rugby 5 | 562 | 1,615,759 | 1,728,860 | 113,101 | 7.0% | 2,106,924 | 7,499 | 182.50 | 512 | 22,419 | - |

[redacted] Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 36001 | Devils Lake 1 | 1,848 | 6,351,512 | 8,301,430 | 1,949,918 | 30.7% | 3,651,284 | 7,012 | 185.00 | 1,705 | 11,468 | - |
| 36002 | Edmore 2 | 108 | 161,664 | 165,706 | 4,042 | 2.5% | 700,711 | 10,696 | 143.00 | 81 | 60,479 | - |
| 36044 | Starkweather 44 | 143 | 366,718 | 392,389 | 25,671 | 7.0% | 498,139 | 10,295 | 168.62 | 87 | 34,013 | - |
| 37002 | Sheldon 2 | 27 | 81,589 | 83,629 | 2,040 | 2.5% | 259,806 | 16,753 | 177.36 | 21 | 71,456 | - |
| 37006 | Ft Ransom 6 | 28 | 69,054 | 70,780 | 1,726 | 2.5% | 136,357 | 10,357 | 139.97 | 20 | 48,709 | - |
| 37019 | Lisbon 19 | 696 | 2,111,381 | 2,664,520 | 553,139 | 26.2% | 1,840,735 | 7,056 | 185.00 | 639 | 15,329 | - |
| 37022 | Enderlin 22 | 363 | 1,053,864 | 1,127,635 | 73,771 | 7.0% | 1,313,483 | 8,261 | 181.78 | 296 | 23,570 | - |
| 38001 | Mohall-Lansford-Sherwc | 408 | 1,146,028 | 1,174,676 | 28,649 | 2.5% | 1,827,074 | 9,778 | 147.42 | 307 | 38,840 | - |
| 38026 | Glenburn 26 | 328 | 1,066,205 | 1,092,858 | 26,654 | 2.5% | 677,538 | 6,943 | 147.71 | 255 | 17,227 | - |
| 39008 | Hankinson 8 | 369 | 1,004,805 | 1,075,143 | 70,337 | 7.0% | 1,117,001 | 7,152 | 170.00 | 307 | 21,361 | - |
| 39018 | Fairmount 18 | 159 | 376,914 | 403,298 | 26,384 | 7.0% | 795,349 | 10,073 | 188.08 | 119 | 35,530 | - |
| 39028 | Lidgerwood 28 | 252 | 750,190 | 802,703 | 52,513 | 7.0% | 736,103 | 8,078 | 185.00 | 191 | 20,887 | - |
| 39037 | Wahpeton 37 | 1,411 | 4,338,057 | 5,064,155 | 726,098 | 16.7% | 4,006,151 | 7,026 | 185.00 | 1,291 | 16,747 | - |
| 39042 | Wyndmere 42 | 309 | 827,927 | 885,881 | 57,953 | 7.0% | 1,070,939 | 8,239 | 152.23 | 238 | 29,424 | - |
| 39044 | Richland 44 | 373 | 1,096,305 | 1,173,047 | 76,742 | 7.0% | 1,110,515 | 7,366 | 185.00 | 310 | 19,230 | - |
| 40001 | Dunseith 1 | 606 | 2,148,191 | 2,382,737 | 234,545 | 10.9% | 210,000 | 4,723 | 136.53 | 549 | 2,802 | - |
| 40003 | St John 3 | 367 | 1,252,699 | 1,416,591 | 163,892 | 13.1% | 118,497 | 5,126 | 144.37 | 300 | 2,738 | - |
| 40004 | Mt Pleasant 4 | 322 | 1,044,520 | 1,089,563 | 45,044 | 4.3% | 802,013 | 7,566 | 180.07 | 250 | 17,552 | - |
| 40007 | Belcourt 7 | 1,718 | 6,373,706 | 6,729,642 | 355,936 | 5.6% | - | 4,303 | - | 1,564 | 236 | - |
| 40029 | Rolette 29 | 222 | 690,917 | 722,072 | 31,154 | 4.5% | 579,106 | 7,934 | 185.00 | 164 | 19,080 | - |
| 41002 | Milnor 2 | 353 | 1,069,188 | 1,387,102 | 317,914 | 29.7% | 681,123 | 7,321 | 175.84 | 283 | 13,667 | - |
| 41003 | N Sargent 3 | 291 | 903,429 | 1,105,595 | 202,166 | 22.4% | 571,712 | 7,641 | 177.98 | 220 | 14,571 | - |
| 41006 | Sargent Central 6 | 344 | 877,646 | 939,080 | 61,434 | 7.0% | 1,428,234 | 8,800 | 184.73 | 269 | 28,742 | - |
| 42016 | Goodrich 16 | 55 | 136,931 | 140,354 | 3,423 | 2.5% | 327,015 | 11,399 | 185.00 | 41 | 43,048 | 21,577.00 |
| 42019 | McClusky 19 | 132 | 351,192 | 375,776 | 24,584 | 7.0% | 493,567 | 8,826 | 174.73 | 99 | 28,494 | 416.00 |
| 43003 | Solen 3 | 204 | 775,129 | 794,508 | 19,379 | 2.5% | 46,307 | 5,514 | 185.00 | 153 | 1,641 | 5,621.45 |
| 43004 | Ft Yates 4 | 225 | 985,777 | 1,010,422 | 24,645 | 2.5% | 89,335 | 7,332 | 185.00 | 150 | 3,219 | 355.07 |
| 43008 | Selfridge 8 | 83 | 74,759 | 79,992 | 5,233 | 7.0% | 244,283 | 7,206 | 183.10 | 45 | 29,648 | 19,766.56 |
| 44012 | Marmarth 12 | 15 | 802 | 822 | 20 | 2.5% | 130,866 | 13,169 | 30.62 | 10 | 249,312 | - |
| 44032 | Central Elementary 32 | 7 | 200 | 205 | 5 | 2.5% | 118,492 | 21,581 | 28.96 | 6 | 478,587 | - |
| 45001 | Dickinson 1 | 2,763 | 8,731,449 | 10,706,166 | 1,974,717 | 22.6% | 7,247,356 | 7,056 | 185.00 | 2,545 | 15,080 | - |
| 45009 | South Heart 9 | 297 | 961,686 | 985,728 | 24,041 | 2.5% | 589,908 | 6,911 | 146.00 | 228 | 16,685 | - |
| 45013 | Belfield 13 | 270 | 898,490 | 1,147,182 | 248,692 | 27.7% | 476,435 | 7,978 | 185.00 | 204 | 11,554 | - |
| 45034 | Richardton-Taylor 34 | 326 | 999,441 | 1,058,869 | 59,428 | 5.9% | 938,258 | 7,941 | 185.00 | 252 | 19,599 | - |
| 46010 | Hope 10 | 161 | 420,278 | 449,698 | 29,420 | 7.0% | 665,994 | 9,297 | 176.09 | 120 | 31,518 | - |
| 46019 | Finley-Sharon 19 | 226 | 616,777 | 659,950 | 43,173 | 7.0% | 836,771 | 8,883 | 185.00 | 169 | 26,830 | - |
| 47001 | Jamestown 1 | 2,401 | 7,782,988 | 9,019,650 | 1,236,662 | 15.9% | 6,512,612 | 7,049 | 185.00 | 2,204 | 15,766 | - |
| 47003 | Medina 3 | 208 | 597,697 | 639,535 | 41,839 | 7.0% | 678,460 | 8,503 | 169.06 | 155 | 25,076 | - |
| 47010 | Pingree-Buchanan | 205 | 601,482 | 643,585 | 42,103 | 7.0% | 553,896 | 7,827 | 165.92 | 153 | 21,728 | - |
| 47014 | Montpelier 14 | 147 | 411,918 | 440,752 | 28,834 | 7.0% | 499,182 | 8,623 | 185.00 | 109 | 24,498 | - |

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 75 % 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 47019 | Kensal 19 | 81 | 155,845 | 159,741 | 3,896 | 2.5% | 451,090 | 12,594 | 170.00 | 49 | 54,711 | 21,104.12 |
| 47026 | Spiritwood 26 | 13 | 751 | 769 | 19 | 2.5% | 438,847 | 43,962 | 140.09 | 10 | 313,261 | - |
| 48002 | Bisbee-Egeland 2 | 75 | 170,515 | 174,777 | 4,263 | 2.5% | 639,996 | 14,550 | 176.79 | 56 | 64,644 | 20,737.34 |
| 48008 | Southern 8 | 267 | 816,397 | 866,460 | 50,062 | 6.1% | 640,852 | 7,555 | 164.12 | 200 | 19,485 | - |
| 48028 | North Central 28 | 102 | 241,616 | 247,656 | 6,040 | 2.5% | 743,016 | 15,979 | 153.82 | 62 | 73,034 | - |
| 49003 | Central Valley 3 | 334 | 904,047 | 967,331 | 63,284 | 7.0% | 1,036,027 | 7,720 | 153.64 | 260 | 25,665 | - |
| 49007 | Hatton 7 | 286 | 857,568 | 926,564 | 68,996 | 8.0% | 815,098 | 8,063 | 203.50 | 216 | 18,544 | - |
| 49009 | Hillsboro 9 | 456 | 1,256,147 | 1,344,080 | 87,932 | 7.0% | 1,820,020 | 7,832 | 178.64 | 404 | 25,024 | - |
| 49014 | May-Port CG 14 | 599 | 1,705,596 | 1,824,991 | 119,395 | 7.0% | 2,162,222 | 7,303 | 185.00 | 546 | 21,236 | - |
| 50003 | Grafton 3 | 1,011 | 3,257,871 | 4,451,241 | 1,193,370 | 36.6% | 1,905,065 | 7,207 | 184.96 | 882 | 11,606 | - |
| 50005 | Fordville-Lankin 5 | 123 | 366,556 | 375,720 | 9,163 | 2.5% | 477,526 | 9,325 | 155.35 | 92 | 33,594 | - |
| 50020 | Minto 20 | 299 | 868,354 | 942,713 | 74,360 | 8.6% | 767,875 | 7,470 | 181.89 | 229 | 18,331 | - |
| 50051 | Nash 51 | 23 | 51,003 | 52,278 | 1,275 | 2.5% | 166,003 | 12,473 | 176.85 | 18 | 53,638 | - |
| 50078 | Park River 78 | 451 | 1,413,319 | 1,772,444 | 359,125 | 25.4% | 1,108,481 | 7,087 | 185.00 | 407 | 14,667 | - |
| 50106 | Edinburg 106 | 161 | 495,844 | 554,615 | 58,771 | 11.9% | 372,592 | 7,759 | 182.25 | 120 | 17,078 | - |
| 50128 | Adams 128 | 83 | 273,567 | 280,407 | 6,839 | 2.5% | 346,992 | 10,119 | 167.26 | 62 | 33,461 | 18,160.66 |
| 51001 | Minot 1 | 6,805 | 20,811,879 | 22,096,252 | 1,284,372 | 6.2% | 28,538,197 | 8,110 | 185.00 | 6,244 | 19,909 | - |
| 51004 | Nedrose 4 | 229 | 681,492 | 729,197 | 47,705 | 7.0% | 495,917 | 5,698 | 82.45 | 215 | 27,942 | - |
| 51007 | United 7 | 620 | 1,949,567 | 2,446,455 | 496,888 | 25.5% | 1,449,591 | 6,926 | 179.79 | 563 | 14,093 | - |
| 51010 | Bell 10 | 186 | 555,255 | 594,123 | 38,867 | 7.0% | 300,511 | 6,004 | 97.54 | 149 | 20,654 | - |
| 51016 | Sawyer 16 | 174 | 511,395 | 547,193 | 35,798 | 7.0% | 519,405 | 8,268 | 185.00 | 129 | 21,518 | - |
| 51019 | Eureka 19 | 13 | 18,240 | 18,696 | 456 | 2.5% | 55,749 | 7,445 | 53.14 | 10 | 104,868 | - |
| 51028 | Kenmare 28 | 349 | 928,654 | 993,660 | 65,007 | 7.0% | 1,350,206 | 8,446 | 183.18 | 278 | 26,413 | - |
| 51041 | Surrey 41 | 387 | 1,288,555 | 1,546,984 | 258,429 | 20.1% | 589,353 | 6,503 | 156.94 | 329 | 11,223 | - |
| 51070 | S Prairie 70 | 169 | 499,160 | 511,639 | 12,478 | 2.5% | 550,652 | 7,840 | 118.13 | 136 | 34,387 | 12,521.68 |
| 51161 | Lewis and Clark 161 | 481 | 1,250,218 | 1,337,735 | 87,517 | 7.0% | 1,589,828 | 8,043 | 159.62 | 364 | 27,321 | - |
| 52025 | Fessenden-Bowdon 25 | 250 | 551,467 | 565,255 | 13,788 | 2.5% | 1,089,982 | 8,828 | 135.10 | 188 | 43,029 | - |
| 52035 | Pleasant Valley 3 | 20 | 35,857 | 36,754 | 896 | 2.5% | 185,004 | 15,294 | 163.89 | 15 | 77,850 | - |
| 52038 | Harvey 38 | 468 | 1,363,853 | 1,459,322 | 95,469 | 7.0% | 1,670,453 | 7,330 | 175.34 | 427 | 22,028 | - |
| 53001 | Williston 1 | 2,293 | 7,822,472 | 10,379,924 | 2,557,452 | 32.7% | 5,854,227 | 7,747 | 238.41 | 2,096 | 11,197 | - |
| 53002 | Nesson 2 | 209 | 600,897 | 642,959 | 42,062 | 7.0% | 790,873 | 9,191 | 185.00 | 156 | 26,377 | - |
| 53006 | Eight Mile 6 | 287 | 1,016,855 | 1,147,536 | 130,680 | 12.9% | 462,769 | 7,387 | 162.42 | 218 | 11,638 | - |
| 53008 | New 8 | 243 | 498,637 | 511,101 | 12,465 | 2.5% | 1,159,860 | 8,680 | 131.99 | 193 | 44,211 | 12,535.25 |
| 53015 | Tioga 15 | 297 | 867,776 | 928,521 | 60,745 | 7.0% | 1,274,781 | 9,706 | 178.33 | 227 | 30,144 | - |
| 53099 | Grenora 99 | 100 | 227,004 | 232,679 | 5,675 | 2.5% | 727,950 | 16,421 | 185.00 | 59 | 66,246 | ~~19,825.36~~ |
| | Statewide | 107,254 | 319,243,991 | 353,888,700 | 34,644,709 | 10.9% | 383,484,248 | 7,891 | 193.01 | 93,446 | 20,853 | 502,~~310.63~~ |
| | Count <> 0 | | | | | | | | | | | |

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 364 | 1,098,833 | 1,185,806 | 86,973 | 7.9% | 1,152,466 | 7,794 | 165.85 | 300 | 22,858 | - |
| 2002 | Valley City 2 | 1,114 | 3,679,985 | 4,177,161 | 497,176 | 13.5% | 3,140,246 | 7,115 | 185.00 | 1,029 | 16,489 | - |
| 2046 | Litchville-Marion 46 | 209 | 545,525 | 547,573 | 2,048 | 0.4% | 1,029,571 | 10,107 | 150.48 | 156 | 43,736 | - |
| 2065 | N Central 65 | 186 | 429,984 | 433,823 | 3,839 | 0.9% | 1,034,215 | 10,524 | 158.16 | 140 | 46,875 | - |
| 2082 | Wimbledon-Courtenay | 190 | 450,062 | 451,337 | 1,275 | 0.3% | 993,137 | 10,245 | 165.13 | 141 | 42,556 | 23,725.25 |
| 3005 | Minnewaukan 5 | 286 | 849,572 | 1,239,226 | 389,654 | 45.9% | 264,993 | 6,964 | 166.43 | 216 | 7,371 | - |
| 3006 | Leeds 6 | 219 | 609,274 | 688,554 | 79,280 | 13.0% | 758,238 | 8,840 | 158.39 | 164 | 29,027 | - |
| 3009 | Maddock 9 | 238 | 740,076 | 798,606 | 58,530 | 7.9% | 764,284 | 8,805 | 176.75 | 178 | 24,270 | - |
| 3016 | Oberon 16 | 53 | 143,003 | 175,503 | 32,500 | 22.7% | 117,656 | 7,329 | 112.56 | 40 | 26,132 | - |
| 3029 | Warwick 29 | 249 | 886,227 | 1,011,169 | 124,942 | 14.1% | 183,001 | 6,351 | 149.16 | 188 | 6,525 | - |
| 3030 | Ft Totten 30 | 249 | 868,321 | 974,285 | 105,964 | 12.2% | 22,229 | 5,536 | 185.00 | 180 | 668 | - |
| 4001 | Billings Co 1 | 57 | 2,419 | 2,383 | (36) | -1.5% | 1,008,758 | 23,570 | - | 43 | 638,291 | - |
| 5001 | Bottineau 1 | 698 | 2,274,397 | 2,276,334 | 1,936 | 0.1% | 2,291,028 | 7,228 | 145.53 | 632 | 23,713 | - |
| 5017 | Westhope 17 | 174 | 465,755 | 495,074 | 29,319 | 6.3% | 687,866 | 9,502 | 164.68 | 125 | 32,627 | - |
| 5054 | Newburg-United 54 | 110 | 181,774 | 179,204 | (2,571) | -1.4% | 853,654 | 15,416 | 159.31 | 67 | 79,054 | 27,570.57 |
| 6001 | Bowman County 1 | 488 | 1,474,200 | 1,526,138 | 51,938 | 3.5% | 2,543,905 | 9,725 | 151.83 | 419 | 34,818 | - |
| 6033 | Scranton 33 | 212 | 579,011 | 606,266 | 27,256 | 4.7% | 919,298 | 9,636 | 139.17 | 158 | 37,000 | - |
| 7014 | Bowbells 14 | 89 | 223,019 | 226,237 | 3,218 | 1.4% | 569,416 | 12,055 | 156.48 | 66 | 52,486 | - |
| 7027 | Powers Lake 27 | 153 | 440,569 | 489,184 | 48,615 | 11.0% | 522,587 | 8,836 | 182.75 | 115 | 23,166 | - |
| 7036 | Burke Central 36 | 114 | 252,431 | 271,669 | 19,238 | 7.6% | 716,179 | 11,693 | 169.20 | 84 | 47,914 | 5,761.81 |
| 8001 | Bismarck 1 | 11,592 | 34,301,925 | 41,269,488 | 6,967,563 | 20.3% | 42,944,172 | 7,963 | 229.17 | 10,576 | 17,588 | - |
| 8025 | Naughton 25 | 4 | 38,489 | 40,221 | 1,732 | 4.5% | 53,347 | 31,189 | 167.64 | 3 | 103,417 | - |
| 8028 | Wing 28 | 122 | 333,472 | 377,390 | 43,918 | 13.2% | 351,448 | 8,053 | 141.13 | 91 | 26,705 | - |
| 8029 | Baldwin 29 | 23 | 60,486 | 63,208 | 2,722 | 4.5% | 126,979 | 10,868 | 136.24 | 18 | 51,704 | - |
| 8033 | Menoken 33 | 16 | 20,977 | 21,921 | 944 | 4.5% | 212,139 | 19,505 | 166.26 | 12 | 106,329 | - |
| 8035 | Sterling 35 | 51 | 82,077 | 97,307 | 15,231 | 18.6% | 354,499 | 11,890 | 166.69 | 38 | 55,937 | 9,769.39 |
| 8039 | Apple Creek 39 | 69 | 188,595 | 201,005 | 12,410 | 6.6% | 212,550 | 8,109 | 89.27 | 51 | 45,449 | 12,589.77 |
| 8045 | Manning 45 | 6 | 22,914 | 23,945 | 1,031 | 4.5% | 55,426 | 17,638 | 219.94 | 5 | 56,001 | - |
| 9001 | Fargo 1 | 11,364 | 32,106,643 | 36,190,234 | 4,083,591 | 12.7% | 62,202,912 | 9,457 | 278.62 | 10,404 | 21,425 | - |
| 9002 | Kindred 2 | 717 | 2,066,427 | 2,317,886 | 251,459 | 12.2% | 2,243,324 | 6,864 | 169.89 | 665 | 19,862 | - |
| 9004 | Maple Valley 4 | 352 | 862,907 | 992,658 | 129,751 | 15.0% | 1,648,894 | 10,121 | 175.81 | 261 | 35,934 | - |
| 9006 | West Fargo 6 | 6,298 | 17,249,837 | 19,349,343 | 2,099,507 | 12.2% | 23,911,685 | 7,511 | 185.00 | 5,760 | 22,339 | - |
| 9007 | Mapleton 7 | 82 | 265,292 | 277,231 | 11,938 | 4.5% | 475,025 | 12,232 | 140.96 | 62 | 54,796 | 13,061.88 |
| 9017 | Central Cass 17 | 915 | 2,564,733 | 2,981,419 | 416,686 | 16.2% | 2,241,894 | 6,211 | 155.38 | 841 | 17,018 | - |
| 9080 | Page 80 | 131 | 333,952 | 359,872 | 25,919 | 7.8% | 644,206 | 10,301 | 166.76 | 97 | 39,633 | - |
| 9097 | Northern Cass | 554 | 1,435,497 | 1,663,314 | 227,817 | 15.9% | 1,971,257 | 7,169 | 170.54 | 507 | 22,749 | - |
| 10019 | Munich 19 | 157 | 362,702 | 353,156 | (9,546) | -2.6% | 646,207 | 10,410 | 148.37 | 96 | 45,368 | - |
| 10023 | Langdon Area 23 | 481 | 1,259,216 | 1,350,702 | 91,486 | 7.3% | 2,327,196 | 8,416 | 157.50 | 437 | 33,639 | - |
| 11040 | Ellendale 40 | 405 | 1,180,147 | 1,325,234 | 145,087 | 12.3% | 1,204,878 | 7,262 | 172.55 | 348 | 20,021 | - |
| 11041 | Oakes 41 | 584 | 1,609,625 | 1,923,172 | 313,548 | 19.5% | 1,809,238 | 7,003 | 183.93 | 533 | 18,302 | - |

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12001 | Divide County 1 | 313 | 913,176 | 929,787 | 16,611 | 1.8% | 1,336,024 | 9,496 | 140.93 | 239 | 37,245 | - |
| 13008 | Dodge 8 | 20 | 69,873 | 77,786 | 7,913 | 11.3% | 151,185 | 15,347 | 185.00 | 15 | 51,842 | - |
| 13016 | Killdeer 16 | 403 | 1,163,769 | 1,289,518 | 125,749 | 10.8% | 1,579,452 | 8,258 | 158.78 | 347 | 26,903 | - |
| 13019 | Halliday 19 | 35 | 83,323 | 80,848 | (2,475) | -3.0% | 353,885 | 16,720 | 171.31 | 26 | 78,327 | - |
| 13037 | Twin Buttes 37 | 57 | 212,494 | 219,496 | 7,002 | 3.3% | 41,901 | 6,376 | - | 41 | 605 | - |
| 14002 | New Rockford-Sheyenr | 489 | 1,534,014 | 1,641,485 | 107,471 | 7.0% | 1,177,094 | 6,759 | 165.00 | 417 | 17,104 | - |
| 15006 | Hazelton-Moffit-Braddo | 178 | 478,637 | 522,356 | 43,719 | 9.1% | 628,415 | 8,718 | 152.64 | 132 | 31,023 | - |
| 15010 | Bakker 10 | 5 | 192 | 201 | 9 | 4.5% | 115,721 | 28,980 | 101.81 | 4 | 284,160 | - |
| 15015 | Strasburg 15 | 201 | 640,122 | 635,235 | (4,887) | -0.8% | 497,811 | 7,579 | 142.50 | 150 | 22,970 | - |
| 15036 | Linton 36 | 366 | 1,133,780 | 1,227,156 | 93,376 | 8.2% | 941,644 | 7,217 | 171.03 | 301 | 18,322 | - |
| 16049 | Carrington 49 | 690 | 1,900,092 | 2,216,309 | 316,216 | 16.6% | 2,072,890 | 6,863 | 150.67 | 625 | 21,668 | - |
| 17003 | Beach 3 | 360 | 1,109,638 | 1,177,644 | 68,006 | 6.1% | 1,696,826 | 9,933 | 145.42 | 289 | 22,608 | - |
| 17006 | Lone Tree 6 | 42 | 121,740 | 121,670 | (69) | -0.1% | 203,482 | 10,640 | 106.68 | 31 | 53,137 | 25,069.38 |
| 18001 | Grand Forks 1 | 7,768 | 23,194,986 | 26,054,298 | 2,859,312 | 12.3% | 34,176,403 | 8,481 | 208.62 | 7,102 | 21,798 | - |
| 18044 | Larimore 44 | 523 | 1,668,670 | 1,885,202 | 216,531 | 13.0% | 1,490,789 | 7,078 | 180.31 | 477 | 16,898 | - |
| 18061 | Thompson 61 | 454 | 1,319,511 | 1,660,537 | 341,026 | 25.8% | 1,174,752 | 6,865 | 178.49 | 413 | 15,879 | - |
| 18125 | Manvel 125 | 212 | 668,903 | 710,897 | 41,994 | 6.3% | 196,446 | 6,345 | 49.61 | 143 | 27,691 | - |
| 18127 | Emerado 127 | 85 | 302,861 | 306,855 | 3,993 | 1.3% | 337,934 | 10,235 | 151.84 | 63 | 35,327 | 21,006.70 |
| 18128 | Midway 128 | 320 | 839,071 | 947,208 | 108,137 | 12.9% | 1,169,996 | 8,503 | 190.97 | 249 | 24,605 | - |
| 18129 | Northwood 129 | 357 | 1,051,886 | 1,168,063 | 116,177 | 11.0% | 1,098,947 | 7,899 | 185.00 | 287 | 20,568 | - |
| 19018 | Roosevelt 18 | 154 | 557,105 | 537,996 | (19,108) | -3.4% | 418,576 | 8,282 | 159.80 | 116 | 22,342 | 44,108.34 |
| 19049 | Elgin-New Leipzig 49 | 222 | 630,643 | 714,907 | 84,263 | 13.4% | 841,241 | 9,403 | 188.24 | 166 | 26,996 | - |
| 20007 | Midkota 7 | 153 | 416,239 | 420,315 | 4,076 | 1.0% | 1,081,194 | 13,171 | 185.00 | 114 | 51,266 | 20,923.94 |
| 20018 | Griggs County Central | 359 | 1,054,484 | 1,173,015 | 118,531 | 11.2% | 1,209,756 | 8,274 | 190.00 | 288 | 22,003 | - |
| 21001 | Mott-Regent 1 | 292 | 819,844 | 852,718 | 32,875 | 4.0% | 1,055,721 | 8,577 | 144.25 | 223 | 32,863 | - |
| 21009 | New England 9 | 206 | 570,461 | 563,314 | (7,148) | -1.3% | 1,019,363 | 10,311 | 170.50 | 154 | 37,488 | 32,147.71 |
| 22011 | Pettibone-Tuttle 11 | 8 | 16,886 | 17,646 | 760 | 4.5% | 225,379 | 40,504 | 187.48 | 6 | 200,358 | - |
| 22014 | Robinson 14 | 25 | 52,930 | 55,312 | 2,382 | 4.5% | 203,575 | 39,829 | 163.92 | 7 | 191,064 | - |
| 22020 | Tuttle-Pettibone 20 | 29 | 76,804 | 76,796 | (8) | 0.0% | 376,162 | 20,589 | 171.40 | 22 | 90,990 | - |
| 22026 | Steele-Dawson 26 | 348 | 965,665 | 1,081,544 | 115,879 | 12.0% | 856,983 | 7,024 | 161.23 | 276 | 18,761 | - |
| 22028 | Tappen 28 | 113 | 363,583 | 379,447 | 15,863 | 4.4% | 352,457 | 8,672 | 195.00 | 84 | 21,339 | 9,136.51 |
| 23003 | Edgeley 3 | 278 | 813,708 | 888,731 | 75,023 | 9.2% | 961,975 | 8,830 | 156.20 | 210 | 29,367 | - |
| 23007 | Kulm 7 | 156 | 343,179 | 351,311 | 8,133 | 2.4% | 1,006,088 | 11,797 | 170.04 | 115 | 51,409 | 16,867.26 |
| 23008 | LaMoure 8 | 365 | 1,082,313 | 1,178,358 | 96,045 | 8.9% | 1,091,277 | 7,515 | 148.21 | 302 | 23,871 | - |
| 24002 | Napoleon 2 | 309 | 870,967 | 985,804 | 114,837 | 13.2% | 686,319 | 7,026 | 162.60 | 238 | 17,726 | - |
| 24056 | Gackle 14 | 132 | 291,942 | 299,039 | 7,097 | 2.4% | 700,021 | 10,194 | 141.76 | 98 | 50,388 | - |
| 25001 | Velva 1 | 435 | 1,271,061 | 1,412,135 | 141,074 | 11.1% | 1,236,691 | 6,774 | 148.96 | 391 | 20,918 | - |
| 25014 | Anamoose 14 | 102 | 321,662 | 340,942 | 19,280 | 6.0% | 368,185 | 9,331 | 178.81 | 76 | 26,848 | 5,720.27 |
| 25057 | Drake 57 | 169 | 432,194 | 490,623 | 58,429 | 13.5% | 621,506 | 8,847 | 161.54 | 126 | 30,599 | - |
| 25060 | TGU 60 | 395 | 962,232 | 1,093,300 | 131,068 | 13.6% | 1,847,665 | 8,625 | 153.81 | 341 | 35,001 | - |

Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 26004 | Zeeland 4 | 96 | 201,797 | 211,869 | 10,072 | 5.0% | 440,602 | 13,208 | 160.95 | 49 | 55,415 | 14,927.96 |
| 26009 | Ashley 9 | 187 | 544,140 | 592,339 | 48,199 | 8.9% | 629,197 | 8,757 | 153.21 | 140 | 29,439 | - |
| 26019 | Wishek 19 | 295 | 853,594 | 895,613 | 42,020 | 4.9% | 722,026 | 7,160 | 147.36 | 226 | 20,997 | - |
| 27001 | McKenzie Co 1 | 556 | 1,626,070 | 1,677,339 | 51,269 | 3.2% | 2,682,733 | 8,591 | 145.06 | 508 | 32,524 | - |
| 27002 | Alexander 2 | 85 | 132,395 | 140,597 | 8,202 | 6.2% | 502,492 | 16,600 | 142.04 | 39 | 88,187 | - |
| 27014 | Yellowstone 14 | 106 | 319,512 | 340,188 | 20,676 | 6.5% | 375,409 | 9,605 | 155.27 | 75 | 28,851 | 4,324.02 |
| 27018 | Earl | 19 | 811 | 847 | 37 | 4.5% | 34,223 | 2,923 | - | 12 | 145,064 | - |
| 27032 | Horse Creek 32 | 8 | 288 | 301 | 13 | 4.5% | 108,903 | 18,201 | 46.98 | 6 | 260,049 | - |
| 27036 | Mandaree 36 | 230 | 866,039 | 889,518 | 23,479 | 2.7% | 221,964 | 6,656 | 82.22 | 167 | 12,252 | - |
| 28001 | Montefiore 1 | 273 | 851,354 | 898,768 | 47,414 | 5.6% | 698,705 | 7,717 | 150.71 | 207 | 21,525 | - |
| 28004 | Washburn 4 | 358 | 1,055,150 | 1,117,766 | 62,616 | 5.9% | 957,760 | 7,182 | 139.87 | 289 | 22,452 | - |
| 28008 | Underwood 8 | 271 | 768,455 | 850,361 | 81,906 | 10.7% | 996,815 | 8,989 | 164.09 | 206 | 28,255 | - |
| 28050 | Max 50 | 187 | 587,562 | 627,883 | 40,322 | 6.9% | 631,618 | 9,094 | 171.39 | 139 | 25,626 | - |
| 28051 | Garrison 51 | 381 | 1,072,970 | 1,176,488 | 103,519 | 9.6% | 1,515,578 | 8,426 | 161.98 | 320 | 27,905 | - |
| 28072 | Turtle Lake-Mercer 72 | 210 | 609,173 | 622,511 | 13,338 | 2.2% | 888,005 | 9,656 | 154.38 | 156 | 35,444 | - |
| 28085 | White Shield 85 | 163 | 552,067 | 640,148 | 88,081 | 16.0% | 149,394 | 6,555 | 185.00 | 120 | 5,700 | - |
| 29003 | Hazen 3 | 665 | 2,257,749 | 2,565,701 | 307,952 | 13.6% | 2,006,628 | 7,520 | 185.00 | 608 | 15,833 | - |
| 29020 | Golden Valley 20 | 44 | 137,111 | 131,410 | (5,701) | -4.2% | 288,915 | 12,737 | 170.88 | 33 | 47,736 | 30,700.72 |
| 29027 | Beulah 27 | 732 | 2,466,849 | 2,482,842 | 15,993 | 0.6% | 2,827,535 | 7,896 | 185.65 | 673 | 20,594 | 9,007.34 |
| 30001 | Mandan 1 | 3,312 | 10,352,574 | 12,773,409 | 2,420,835 | 23.4% | 9,092,100 | 7,167 | 185.00 | 3,051 | 15,859 | - |
| 30004 | Little Heart 4 | 21 | 58,540 | 61,174 | 2,634 | 4.5% | 109,999 | 11,043 | 130.04 | 16 | 54,573 | - |
| 30007 | New Salem 7 | 368 | 1,148,339 | 1,209,604 | 61,265 | 5.3% | 787,808 | 6,402 | 149.15 | 312 | 16,020 | - |
| 30008 | Sims 8 | 25 | 43,884 | 45,859 | 1,975 | 4.5% | 181,996 | 11,992 | 118.51 | 19 | 80,826 | - |
| 30013 | Hebron 13 | 213 | 598,274 | 656,588 | 58,315 | 9.7% | 704,634 | 8,713 | 166.40 | 156 | 26,575 | - |
| 30017 | Sweet Briar 17 | 11 | 27,378 | 28,610 | 1,232 | 4.5% | 27,106 | 6,965 | 70.99 | 8 | 47,729 | - |
| 30039 | Flasher 39 | 286 | 871,772 | 1,095,721 | 223,949 | 25.7% | 601,050 | 7,760 | 181.55 | 219 | 15,085 | - |
| 30048 | Glen Ullin 48 | 220 | 721,449 | 738,366 | 16,917 | 2.3% | 769,385 | 9,194 | 162.42 | 164 | 28,089 | 8,082.60 |
| 31001 | New Town 1 | 785 | 2,578,984 | 3,218,513 | 639,529 | 24.8% | 891,763 | 5,773 | 163.90 | 712 | 6,986 | - |
| 31002 | Stanley 2 | 392 | 1,152,392 | 1,279,875 | 127,482 | 11.1% | 1,137,715 | 7,217 | 171.41 | 335 | 19,606 | - |
| 31003 | Parshall 3 | 331 | 930,213 | 1,043,752 | 113,538 | 12.2% | 655,468 | 6,586 | 156.49 | 258 | 15,770 | - |
| 32001 | Dakota Prairie 1 | 342 | 888,092 | 954,571 | 66,480 | 7.5% | 1,805,290 | 10,337 | 185.00 | 267 | 36,548 | - |
| 32066 | Lakota 66 | 277 | 847,110 | 918,336 | 71,227 | 8.4% | 898,902 | 8,737 | 185.00 | 208 | 23,220 | - |
| 33001 | Center-Stanton 1 | 334 | 1,044,715 | 1,141,044 | 96,330 | 9.2% | 1,283,265 | 9,389 | 174.98 | 258 | 26,214 | - |
| 34006 | Cavalier 6 | 468 | 1,509,169 | 1,568,668 | 59,499 | 3.9% | 1,696,548 | 7,757 | 185.00 | 421 | 21,642 | - |
| 34012 | Valley 12 | 203 | 574,013 | 630,461 | 56,448 | 9.8% | 827,118 | 9,621 | 184.97 | 152 | 28,405 | - |
| 34019 | Drayton 19 | 186 | 415,493 | 455,554 | 40,062 | 9.6% | 1,014,424 | 10,575 | 181.83 | 139 | 40,019 | - |
| 34043 | St Thomas 43 | 151 | 404,054 | 444,704 | 40,650 | 10.1% | 608,303 | 9,360 | 185.00 | 113 | 29,228 | - |
| 34100 | North Border 100 | 638 | 1,674,017 | 1,918,224 | 244,207 | 14.6% | 2,340,560 | 8,795 | 184.77 | 484 | 26,126 | - |
| 35001 | Wolford 1 | 71 | 199,956 | 197,802 | (2,154) | -1.1% | 326,033 | 12,274 | 191.95 | 43 | 39,786 | 27,154.16 |
| 35005 | Rugby 5 | 546 | 1,615,759 | 1,760,540 | 144,781 | 9.0% | 2,106,924 | 7,774 | 182.50 | 498 | 23,050 | - |

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 36001 | Devils Lake 1 | 1,888 | 6,351,512 | 8,777,204 | 2,425,692 | 38.2% | 3,651,284 | 7,135 | 185.00 | 1,742 | 11,221 | - |
| 36002 | Edmore 2 | 106 | 161,664 | 164,780 | 3,116 | 1.9% | 700,711 | 10,956 | 143.00 | 79 | 62,010 | - |
| 36044 | Starkweather 44 | 140 | 366,718 | 401,262 | 34,544 | 9.4% | 498,139 | 10,644 | 168.62 | 85 | 34,818 | - |
| 37002 | Sheldon 2 | 28 | 81,589 | 87,350 | 5,761 | 7.1% | 259,806 | 16,531 | 177.36 | 21 | 69,755 | - |
| 37006 | Ft Ransom 6 | 27 | 69,054 | 70,921 | 1,867 | 2.7% | 136,357 | 10,554 | 139.97 | 20 | 49,602 | - |
| 37019 | Lisbon 19 | 684 | 2,111,381 | 2,665,900 | 554,518 | 26.3% | 1,840,735 | 7,182 | 185.00 | 628 | 15,598 | - |
| 37022 | Enderlin 22 | 362 | 1,053,864 | 1,177,436 | 123,572 | 11.7% | 1,313,483 | 8,465 | 181.78 | 294 | 23,671 | - |
| 38001 | Mohall-Lansford-Sherw | 412 | 1,146,028 | 1,207,660 | 61,632 | 5.4% | 1,827,074 | 9,801 | 147.42 | 310 | 38,509 | - |
| 38026 | Glenburn 26 | 331 | 1,066,205 | 1,126,313 | 60,109 | 5.6% | 677,538 | 6,997 | 147.71 | 258 | 17,040 | - |
| 39008 | Hankinson 8 | 365 | 1,004,805 | 1,111,639 | 106,834 | 10.6% | 1,117,001 | 7,466 | 170.00 | 299 | 21,934 | - |
| 39018 | Fairmount 18 | 163 | 376,914 | 432,764 | 55,850 | 14.8% | 795,349 | 10,067 | 188.08 | 122 | 34,656 | - |
| 39028 | Lidgerwood 28 | 247 | 750,190 | 822,558 | 72,367 | 9.6% | 736,103 | 8,402 | 185.00 | 186 | 21,450 | - |
| 39037 | Wahpeton 37 | 1,376 | 4,338,057 | 4,992,348 | 654,291 | 15.1% | 4,006,151 | 7,153 | 185.00 | 1,258 | 17,187 | - |
| 39042 | Wyndmere 42 | 307 | 827,927 | 919,932 | 92,004 | 11.1% | 1,070,939 | 8,450 | 152.23 | 236 | 29,662 | - |
| 39044 | Richland 44 | 371 | 1,096,305 | 1,219,081 | 122,776 | 11.2% | 1,110,515 | 7,605 | 185.00 | 306 | 19,461 | - |
| 40001 | Dunseith 1 | 629 | 2,148,191 | 2,533,838 | 385,646 | 18.0% | 210,000 | 4,814 | 136.53 | 570 | 2,698 | - |
| 40003 | St John 3 | 371 | 1,252,699 | 1,475,619 | 222,920 | 17.8% | 118,497 | 5,159 | 144.37 | 309 | 2,653 | - |
| 40004 | Mt Pleasant 4 | 318 | 1,044,520 | 1,099,424 | 54,904 | 5.3% | 802,013 | 7,729 | 180.07 | 246 | 17,837 | - |
| 40007 | Belcourt 7 | 1,764 | 6,373,706 | 7,101,767 | 728,061 | 11.4% | - | 4,419 | - | 1,607 | 230 | - |
| 40029 | Rolette 29 | 221 | 690,917 | 741,251 | 50,334 | 7.3% | 579,106 | 8,102 | 185.00 | 163 | 19,202 | - |
| 41002 | Milnor 2 | 360 | 1,069,188 | 1,486,854 | 417,666 | 39.1% | 681,123 | 7,399 | 175.84 | 293 | 13,178 | - |
| 41003 | N Sargent 3 | 301 | 903,429 | 1,194,976 | 291,546 | 32.3% | 571,712 | 7,791 | 177.98 | 227 | 14,105 | - |
| 41006 | Sargent Central 6 | 345 | 877,646 | 986,594 | 108,947 | 12.4% | 1,428,234 | 8,944 | 184.73 | 270 | 28,635 | - |
| 42016 | Goodrich 16 | 54 | 136,931 | 139,633 | 2,702 | 2.0% | 327,015 | 11,666 | 185.00 | 40 | 44,124 | 22,297.99 |
| 42019 | McClusky 19 | 131 | 351,192 | 389,344 | 38,152 | 10.9% | 493,567 | 9,056 | 174.73 | 98 | 28,786 | - |
| 43003 | Solen 3 | 221 | 775,129 | 876,289 | 101,160 | 13.1% | 46,307 | 5,591 | 185.00 | 165 | 1,517 | - |
| 43004 | Ft Yates 4 | 210 | 985,777 | 962,789 | (22,988) | -2.3% | 89,335 | 7,569 | 185.00 | 139 | 3,474 | 47,987.97 |
| 43008 | Selfridge 8 | 79 | 74,759 | 73,784 | (975) | -1.3% | 244,283 | 6,914 | 183.10 | 46 | 29,003 | 25,974.65 |
| 44012 | Marmarth 12 | 15 | 802 | 838 | 36 | 4.5% | 130,866 | 13,170 | 30.62 | 10 | 249,312 | - |
| 44032 | Central Elementary 32 | 7 | 200 | 209 | 9 | 4.5% | 118,492 | 21,582 | 28.96 | 6 | 478,587 | - |
| 45001 | Dickinson 1 | 2,702 | 8,731,449 | 10,619,410 | 1,887,960 | 21.6% | 7,247,356 | 7,183 | 185.00 | 2,488 | 15,426 | - |
| 45009 | South Heart 9 | 292 | 961,686 | 988,573 | 26,887 | 2.8% | 589,908 | 7,038 | 146.00 | 224 | 16,962 | - |
| 45013 | Belfield 13 | 265 | 898,490 | 1,145,420 | 246,930 | 27.5% | 476,435 | 8,171 | 185.00 | 199 | 11,845 | - |
| 45034 | Richardton-Taylor 34 | 320 | 999,441 | 1,074,747 | 75,306 | 7.5% | 938,258 | 8,200 | 185.00 | 246 | 20,079 | - |
| 46010 | Hope 10 | 164 | 420,278 | 478,478 | 58,200 | 13.8% | 665,994 | 9,381 | 176.09 | 122 | 31,001 | - |
| 46019 | Finley-Sharon 19 | 219 | 616,777 | 668,339 | 51,562 | 8.4% | 836,771 | 9,234 | 185.00 | 163 | 27,735 | - |
| 47001 | Jamestown 1 | 2,379 | 7,782,988 | 9,149,174 | 1,366,186 | 17.6% | 6,512,612 | 7,174 | 185.00 | 2,183 | 15,914 | - |
| 47003 | Medina 3 | 205 | 597,697 | 660,792 | 63,096 | 10.6% | 678,460 | 8,753 | 169.06 | 153 | 25,404 | - |
| 47010 | Pingree-Buchanan | 201 | 601,482 | 660,531 | 59,049 | 9.8% | 553,896 | 8,096 | 165.92 | 150 | 22,162 | - |
| 47014 | Montpelier 14 | 141 | 411,918 | 443,150 | 31,232 | 7.6% | 499,182 | 9,004 | 185.00 | 105 | 25,513 | - |

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 47019 | Kensal 19 | 81 | 155,845 | 163,400 | 7,555 | 4.8% | 451,090 | 12,802 | 170.00 | 48 | 55,281 | 17,445.23 |
| 47026 | Spiritwood 26 | 13 | 751 | 784 | 34 | 4.5% | 438,847 | 43,963 | 140.09 | 10 | 313,261 | - |
| 48002 | Bisbee-Egeland 2 | 74 | 170,515 | 175,058 | 4,543 | 2.7% | 639,996 | 14,819 | 176.79 | 55 | 65,820 | 20,456.89 |
| 48008 | Southern 8 | 262 | 816,397 | 879,506 | 63,108 | 7.7% | 640,852 | 7,757 | 164.12 | 196 | 19,833 | - |
| 48028 | North Central 28 | 96 | 241,616 | 236,214 | (5,401) | -2.2% | 743,016 | 16,883 | 153.82 | 58 | 78,071 | - |
| 49003 | Central Valley 3 | 327 | 904,047 | 991,186 | 87,139 | 9.6% | 1,036,027 | 7,981 | 153.64 | 254 | 26,221 | - |
| 49007 | Hatton 7 | 276 | 857,568 | 926,631 | 69,063 | 8.1% | 815,098 | 8,382 | 203.50 | 208 | 19,275 | - |
| 49009 | Hillsboro 9 | 457 | 1,256,147 | 1,410,247 | 154,100 | 12.3% | 1,820,020 | 7,976 | 178.64 | 405 | 24,962 | - |
| 49014 | May-Port CG 14 | 595 | 1,705,596 | 1,898,047 | 192,450 | 11.3% | 2,162,222 | 7,485 | 185.00 | 542 | 21,374 | - |
| 50003 | Grafton 3 | 1,030 | 3,257,871 | 4,686,960 | 1,429,089 | 43.9% | 1,905,065 | 7,333 | 184.96 | 899 | 11,386 | - |
| 50005 | Fordville-Lankin 5 | 123 | 366,556 | 387,490 | 20,934 | 5.7% | 477,526 | 9,402 | 155.35 | 92 | 33,412 | - |
| 50020 | Minto 20 | 301 | 868,354 | 1,002,853 | 134,499 | 15.5% | 767,875 | 7,632 | 181.89 | 232 | 18,094 | - |
| 50051 | Nash 51 | 24 | 51,003 | 54,211 | 3,208 | 6.3% | 166,003 | 12,372 | 176.85 | 18 | 52,734 | - |
| 50078 | Park River 78 | 457 | 1,413,319 | 1,862,533 | 449,214 | 31.8% | 1,108,481 | 7,213 | 185.00 | 412 | 14,474 | - |
| 50106 | Edinburg 106 | 159 | 495,844 | 562,502 | 66,658 | 13.4% | 372,592 | 7,911 | 182.25 | 118 | 17,266 | - |
| 50128 | Adams 128 | 89 | 273,567 | 308,938 | 35,370 | 12.9% | 346,992 | 9,790 | 167.26 | 67 | 30,964 | - |
| 51001 | Minot 1 | 6,737 | 20,811,879 | 22,595,541 | 1,783,662 | 8.6% | 28,538,197 | 8,275 | 185.00 | 6,179 | 20,117 | - |
| 51004 | Nedrose 4 | 230 | 681,492 | 763,671 | 82,178 | 12.1% | 495,917 | 5,855 | 82.45 | 215 | 27,926 | - |
| 51007 | United 7 | 611 | 1,949,567 | 2,460,818 | 511,251 | 26.2% | 1,449,591 | 7,052 | 179.79 | 555 | 14,297 | - |
| 51010 | Bell 10 | 182 | 555,255 | 609,348 | 54,093 | 9.7% | 300,511 | 6,232 | 97.54 | 146 | 21,078 | - |
| 51016 | Sawyer 16 | 172 | 511,395 | 566,639 | 55,245 | 10.8% | 519,405 | 8,511 | 185.00 | 128 | 21,754 | - |
| 51019 | Eureka 19 | 13 | 18,240 | 19,060 | 821 | 4.5% | 55,749 | 7,481 | 53.14 | 10 | 104,868 | - |
| 51028 | Kenmare 28 | 352 | 928,654 | 1,048,679 | 120,025 | 12.9% | 1,350,206 | 8,574 | 183.18 | 280 | 26,196 | - |
| 51041 | Surrey 41 | 380 | 1,288,555 | 1,551,089 | 262,534 | 20.4% | 589,353 | 6,637 | 156.94 | 323 | 11,431 | - |
| 51070 | S Prairie 70 | 167 | 499,160 | 514,076 | 14,916 | 3.0% | 550,652 | 8,065 | 118.13 | 132 | 35,293 | 10,084.38 |
| 51161 | Lewis and Clark 161 | 473 | 1,250,218 | 1,377,273 | 127,055 | 10.2% | 1,589,828 | 8,288 | 159.62 | 358 | 27,779 | - |
| 52025 | Fessenden-Bowdon 25 | 238 | 551,467 | 548,626 | (2,841) | -0.5% | 1,089,982 | 9,258 | 135.10 | 177 | 45,582 | - |
| 52035 | Pleasant Valley 3 | 19 | 35,857 | 34,974 | (883) | -2.5% | 185,004 | 16,295 | 163.89 | 14 | 83,617 | - |
| 52038 | Harvey 38 | 443 | 1,363,853 | 1,445,544 | 81,691 | 6.0% | 1,670,453 | 7,717 | 175.34 | 404 | 23,296 | - |
| 53001 | Williston 1 | 2,259 | 7,822,472 | 10,415,827 | 2,593,355 | 33.2% | 5,854,227 | 7,885 | 238.41 | 2,064 | 11,370 | - |
| 53002 | Nesson 2 | 207 | 600,897 | 665,981 | 65,084 | 10.8% | 790,873 | 9,438 | 185.00 | 154 | 26,657 | - |
| 53006 | Eight Mile 6 | 285 | 1,016,855 | 1,167,011 | 150,155 | 14.8% | 462,769 | 7,559 | 162.42 | 216 | 11,768 | - |
| 53008 | New 8 | 239 | 498,637 | 513,039 | 14,402 | 2.9% | 1,159,860 | 8,828 | 131.99 | 190 | 44,911 | 10,597.57 |
| 53015 | Tioga 15 | 292 | 867,776 | 954,847 | 87,071 | 10.0% | 1,274,781 | 9,998 | 178.33 | 223 | 30,685 | - |
| 53099 | Grenora 99 | 100 | 227,004 | 237,219 | 10,215 | 4.5% | 727,950 | 16,499 | 185.00 | 59 | 66,246 | 14,785.28 |
| | Statewide | 107,028 | 319,243,991 | 365,888,700 | 46,644,709 | 14.6% | 383,484,248 | 8,037 | 193.01 | 93,241 | 20,853 | 531,285.55 |
| | Count <> 0 | | | | | | | | | | | |

B

| CoDist | DNAME | DTYPE | Equity District (y/n) | GF Levy 3 | 2006 Fall k12 | Projected Fall 2007 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg | Projected Fall 2008 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 52025 | Fessenden-Bowdon 25 | 1 | n | 135 | 186 | 172 | (14) | (3) | (11) | 165 | (7) | (2) | (5) |
| 6033 | Scranton 33 | 1 | n | 139 | 163 | 162 | (1) | (2) | - | 161 | (1) | (2) | - |
| 28004 | Washburn 4 | 1 | n | 140 | 305 | 296 | (9) | (4) | (5) | 287 | (9) | (4) | (5) |
| 12001 | Divide County 1 | 1 | n | 141 | 246 | 238 | (8) | (4) | (4) | 220 | (18) | (3) | (15) |
| 8028 | Wing 28 | 1 | n | 141 | 91 | 92 | 1 | - | - | 93 | 1 | - | - |
| 24056 | Gackle-Streeter 56 | 1 | n | 142 | 101 | 99 | (2) | (1) | (1) | 95 | (4) | (1) | (3) |
| 27002 | Alexander 2 | 1 | n | 142 | 41 | 40 | (1) | (1) | - | 40 | - | (1) | - |
| 15015 | Strasburg 15 | 1 | n | 143 | 161 | 153 | (8) | (2) | (6) | 148 | (5) | (2) | (3) |
| 36002 | Edmore 2 | 1 | n | 143 | 79 | 77 | (2) | (1) | (1) | 74 | (3) | (1) | (2) |
| 21001 | Mott-Regent 1 | 1 | n | 144 | 242 | 227 | (15) | (3) | (12) | 210 | (17) | (3) | (14) |
| 27001 | McKenzie Co 1 | 1 | n | 145 | 539 | 524 | (15) | (8) | (7) | 514 | (10) | (7) | (3) |
| 17003 | Beach 3 | 1 | n | 145 | 287 | 289 | 2 | - | - | 287 | (2) | (4) | - |
| 5001 | Bottineau 1 | 1 | n | 146 | 667 | 626 | (41) | (10) | (31) | 589 | (37) | (8) | (29) |
| 45009 | South Heart 9 | 1 | n | 146 | 236 | 231 | (5) | (3) | (2) | 231 | - | (3) | - |
| 26019 | Wishek 19 | 1 | n | 147 | 230 | 227 | (3) | (3) | - | 229 | 2 | - | - |
| 38001 | Mohall-Lansford-Sherwood 1 | 1 | n | 147 | 317 | 317 | - | (5) | - | 317 | - | (4) | - |
| 38026 | Glenburn 26 | 1 | n | 148 | 260 | 262 | 2 | - | - | 262 | - | (3) | - |
| 23008 | LaMoure 8 | 1 | n | 148 | 321 | 311 | (10) | (5) | (5) | 304 | (7) | (4) | (3) |
| 10019 | Munich 19 | 1 | n | 148 | 106 | 99 | (7) | (2) | (5) | 90 | (9) | (1) | (8) |
| 25001 | Velva 1 | 1 | n | 149 | 410 | 404 | (6) | (6) | - | 406 | 2 | - | - |
| 30007 | New Salem 7 | 1 | n | 149 | 329 | 322 | (7) | (5) | (2) | 315 | (7) | (4) | (3) |
| 2046 | Litchville-Marion 46 | 1 | n | 150 | 165 | 158 | (7) | (2) | (5) | 156 | (2) | (2) | - |
| 16049 | Carrington 49 | 1 | n | 151 | 616 | 618 | 2 | - | - | 627 | 9 | - | - |
| 28001 | Montefiore 1 | 1 | n | 151 | 216 | 210 | (6) | (3) | (3) | 203 | (7) | (3) | (4) |
| 6001 | Bowman County 1 | 1 | n | 152 | 438 | 434 | (4) | (6) | - | 432 | (2) | (6) | - |
| 39042 | Wyndmere 42 | 1 | n | 152 | 242 | 235 | (7) | (3) | (4) | 226 | (9) | (3) | (6) |
| 15006 | Hazelton-Moffit-Braddock 6 | 1 | n | 153 | 137 | 131 | (6) | (2) | (4) | 125 | (6) | (2) | (4) |
| 26009 | Ashley 9 | 1 | n | 153 | 146 | 144 | (2) | (2) | - | 145 | 1 | - | - |
| 49003 | Central Valley 3 | 1 | n | 154 | 263 | 252 | (11) | (4) | (7) | 247 | (5) | (3) | (2) |
| 25060 | TGU 60 | 1 | n | 154 | 344 | 340 | (4) | (5) | - | 341 | 1 | - | - |
| 48028 | North Central 28 | 1 | n | 154 | 62 | 58 | (4) | (1) | (3) | 53 | (5) | (1) | (4) |
| 28072 | Turtle Lake-Mercer 72 | 1 | n | 154 | 166 | 161 | (5) | (2) | (3) | 157 | (4) | (2) | (2) |
| 50005 | Fordville-Lankin 5 | 1 | n | 155 | 94 | 92 | (2) | (1) | (1) | 90 | (2) | (1) | (1) |
| 9017 | Central Cass 17 | 1 | n | 155 | 822 | 824 | 2 | - | - | 825 | 1 | - | - |
| 23003 | Edgeley 3 | 1 | n | 156 | 216 | 209 | (7) | (3) | (4) | 204 | (5) | (3) | (2) |
| 7014 | Bowbells 14 | 1 | n | 156 | 68 | 66 | (2) | (1) | (1) | 65 | (1) | (1) | - |
| 10023 | Langdon Area 23 | 1 | n | 158 | 449 | 421 | (28) | (6) | (22) | 380 | (41) | (5) | (36) |
| 2065 | N Central 65 | 1 | n | 158 | 148 | 143 | (5) | (2) | (3) | 140 | (3) | (2) | (1) |
| 3006 | Leeds 6 | 1 | n | 158 | 167 | 166 | (1) | (2) | - | 166 | - | (2) | - |



ST 4/17/07

| CoDist | DNAME | DTYPE | Equity District (y/n) | GF Levy 3 | 2006 Fall k12 | Projected Fall 2007 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg | Projected Fall 2008 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13016 | Killdeer 16 | 1 | n | 159 | 360 | 348 | (12) | (5) | (7) | 339 | (9) | (5) | (4) |
| 5054 | Newburg-United 54 | 1 | n | 159 | 73 | 69 | (4) | (1) | (3) | 65 | (4) | (1) | (3) |
| 51161 | Lewis and Clark 161 | 1 | n | 160 | 370 | 364 | (6) | (5) | (1) | 357 | (7) | (5) | (2) |
| 26004 | Zeeland 4 | 1 | n | 161 | 52 | 51 | (1) | (1) | - | 52 | 1 | - | - |
| 22026 | Steele-Dawson 26 | 1 | n | 161 | 282 | 272 | (10) | (4) | (6) | 265 | (7) | (4) | (3) |
| 25057 | Drake 57 | 1 | n | 162 | 129 | 129 | - | (2) | - | 130 | 1 | - | - |
| 28051 | Garrison 51 | 1 | n | 162 | 331 | 321 | (10) | (5) | (5) | 311 | (10) | (4) | (6) |
| 30048 | Glen Ullin 48 | 1 | n | 162 | 173 | 169 | (4) | (2) | (2) | 166 | (3) | (2) | (1) |
| 24002 | Napoleon 2 | 1 | n | 163 | 245 | 237 | (8) | (4) | (4) | 234 | (3) | (3) | - |
| 28008 | Underwood 8 | 1 | n | 164 | 210 | 204 | (6) | (3) | (3) | 198 | (6) | (3) | (3) |
| 48008 | Southern 8 | 1 | n | 164 | 204 | 194 | (10) | (3) | (7) | 177 | (17) | (2) | (15) |
| 5017 | Westhope 17 | 1 | n | 165 | 117 | 110 | (7) | (2) | (5) | 103 | (7) | (1) | (6) |
| 2082 | Wimbledon-Courtenay 82 | 1 | n | 165 | 150 | 144 | (6) | (2) | (4) | 141 | (3) | (2) | (1) |
| 1013 | Hettinger 13 | 1 | n | 166 | 312 | 292 | (20) | (4) | (16) | 277 | (15) | (4) | (11) |
| 47010 | Pingree-Buchanan | 1 | n | 166 | 156 | 149 | (7) | (2) | (5) | 146 | (3) | (2) | (1) |
| 30013 | Hebron 13 | 1 | n | 166 | 162 | 158 | (4) | (2) | (2) | 156 | (2) | (2) | - |
| 36044 | Starkweather 44 | 1 | n | 169 | 87 | 85 | (2) | (1) | (1) | 84 | (1) | (1) | - |
| 47003 | Medina 3 | 1 | n | 169 | 160 | 153 | (7) | (2) | (5) | 150 | (3) | (2) | (1) |
| 7036 | Burke Central 36 | 1 | n | 169 | 87 | 86 | (1) | (1) | - | 85 | (1) | (1) | - |
| 9002 | Kindred 2 | 1 | n | 170 | 691 | 692 | 1 | - | - | 693 | 1 | - | - |
| 39008 | Hankinson 8 | 1 | n | 170 | 312 | 304 | (8) | (4) | (4) | 292 | (12) | (4) | (8) |
| 47019 | Kensal 19 | 1 | n | 170 | 50 | 48 | (2) | (1) | (1) | 47 | (1) | (1) | - |
| 23007 | Kulm 7 | 1 | n | 170 | 121 | 118 | (3) | (2) | (1) | 114 | (4) | (2) | (2) |
| 21009 | New England 9 | 1 | n | 171 | 169 | 160 | (9) | (2) | (7) | 147 | (13) | (2) | (11) |
| 9097 | Northern Cass | 1 | n | 171 | 506 | 507 | 1 | - | - | 508 | 1 | - | - |
| 29020 | Golden Valley 20 | 1 | n | 171 | 36 | 33 | (3) | (1) | (2) | 34 | 1 | - | - |
| 13019 | Halliday 19 | 1 | n | 171 | 28 | 26 | (2) | - | (2) | 27 | 1 | - | - |
| 28050 | Max 50 | 1 | n | 171 | 145 | 141 | (4) | (2) | (2) | 136 | (5) | (2) | (3) |
| 22020 | Tuttle-Pettibone 20 | 1 | n | 171 | 23 | 22 | (1) | - | (1) | 20 | (2) | - | (2) |
| 31002 | Stanley 2 | 1 | n | 171 | 350 | 344 | (6) | (5) | (1) | 340 | (4) | (5) | - |
| 11040 | Ellendale 40 | 1 | n | 173 | 358 | 360 | 2 | - | - | 361 | 1 | - | - |
| 42019 | McClusky 19 | 1 | n | 175 | 102 | 101 | (1) | (1) | - | 100 | (1) | (1) | - |
| 33001 | Center-Stanton 1 | 1 | n | 175 | 257 | 269 | 12 | - | - | 279 | 10 | - | - |
| 52038 | Harvey 38 | 1 | n | 175 | 436 | 408 | (28) | (6) | (22) | 400 | (8) | (5) | (3) |
| 9004 | Maple Valley 4 | 1 | n | 176 | 261 | 261 | - | (4) | - | 261 | - | (3) | - |
| 46010 | Hope 10 | 1 | n | 176 | 120 | 122 | 2 | - | - | 119 | (3) | (2) | (1) |
| 3009 | Maddock 9 | 1 | n | 177 | 183 | 182 | (1) | (3) | - | 183 | 1 | - | - |
| 48002 | Bisbee-Egeland 2 | 1 | n | 177 | 56 | 55 | (1) | (1) | - | 49 | (6) | (1) | (5) |
| 53015 | Tioga 15 | 1 | n | 178 | 234 | 230 | (4) | (3) | (1) | 228 | (2) | (3) | - |

| CoDist | DNAME | DTYPE | Equity District (y/n) | GF Levy 3 | 2006 Fall k12 | Projected Fall 2007 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg | Projected Fall 2008 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 49009 | Hillsboro 9 | 1 | n | 179 | 419 | 404 | (15) | (6) | (9) | 395 | (9) | (5) | (4) |
| 25014 | Anamoose 14 | 1 | n | 179 | 80 | 79 | (1) | (1) | - | 79 | - | (1) | - |
| 37022 | Enderlin 22 | 1 | n | 182 | 305 | 299 | (6) | (4) | (2) | 292 | (7) | (4) | (3) |
| 34019 | Drayton 19 | 1 | n | 182 | 142 | 139 | (3) | (2) | (1) | 133 | (6) | (2) | (4) |
| 35005 | Rugby 5 | 1 | n | 183 | 528 | 514 | (14) | (8) | (6) | 493 | (21) | (7) | (14) |
| 7027 | Powers Lake 27 | 1 | n | 183 | 118 | 117 | (1) | (2) | - | 116 | (1) | (2) | - |
| 43008 | Selfridge 8 | 1 | n | 183 | 44 | 45 | 1 | - | - | 51 | 6 | - | - |
| 51028 | Kenmare 28 | 1 | n | 183 | 283 | 279 | (4) | (4) | - | 273 | (6) | (4) | (2) |
| 41006 | Sargent Central 6 | 1 | n | 185 | 273 | 274 | 1 | - | - | 269 | (5) | (4) | (1) |
| 34100 | North Border 100 | 1 | n | 185 | 495 | 486 | (9) | (7) | (2) | 470 | (16) | (6) | (10) |
| 34012 | Valley 12 | 1 | n | 185 | 162 | 159 | (3) | (2) | (1) | 154 | (5) | (2) | (3) |
| 9006 | West Fargo 6 | 1 | n | 185 | 5,901 | 5,910 | 9 | - | - | 5,922 | 12 | - | - |
| 18129 | Northwood 129 | 1 | n | 185 | 295 | 287 | (8) | (4) | (4) | 278 | (9) | (4) | (5) |
| 20007 | Midkota 7 | 1 | n | 185 | 118 | 114 | (4) | (2) | (2) | 112 | (2) | (1) | (1) |
| 32001 | Dakota Prairie 1 | 1 | n | 185 | 273 | 264 | (9) | (4) | (5) | 252 | (12) | (3) | (9) |
| 32066 | Lakota 66 | 1 | n | 185 | 217 | 210 | (7) | (3) | (4) | 200 | (10) | (3) | (7) |
| 34006 | Cavalier 6 | 1 | n | 185 | 431 | 421 | (10) | (6) | (4) | 402 | (19) | (5) | (14) |
| 34043 | St Thomas 43 | 1 | n | 185 | 119 | 117 | (2) | (2) | - | 113 | (4) | (2) | (2) |
| 39028 | Lidgerwood 28 | 1 | n | 185 | 196 | 191 | (5) | (3) | (2) | 182 | (9) | (2) | (7) |
| 39044 | Richland 44 | 1 | n | 185 | 317 | 309 | (8) | (5) | (3) | 295 | (14) | (4) | (10) |
| 42016 | Goodrich 16 | 1 | n | 185 | 41 | 40 | (1) | (1) | - | 38 | (2) | (1) | (1) |
| 45034 | Richardton-Taylor 34 | 1 | n | 185 | 256 | 250 | (6) | (4) | (2) | 250 | - | (3) | - |
| 46019 | Finley-Sharon 19 | 1 | n | 185 | 171 | 165 | (6) | (2) | (4) | 158 | (7) | (2) | (5) |
| 47014 | Montpelier 14 | 1 | n | 185 | 111 | 106 | (5) | (2) | (3) | 104 | (2) | (1) | (1) |
| 49014 | May-Port CG 14 | 1 | n | 185 | 565 | 544 | (21) | (8) | (13) | 533 | (11) | (7) | (4) |
| 51001 | Minot 1 | 1 | n | 185 | 6,411 | 6,321 | (90) | (92) | - | 6,187 | (134) | (82) | (52) |
| 51016 | Sawyer 16 | 1 | n | 185 | 134 | 132 | (2) | (2) | - | 129 | (3) | (2) | (1) |
| 53002 | Nesson 2 | 1 | n | 185 | 159 | 157 | (2) | (2) | - | 155 | (2) | (2) | - |
| 53099 | Grenora 99 | 1 | n | 185 | 63 | 63 | - | (1) | - | 61 | (2) | (1) | (1) |
| 29027 | Beulah 27 | 1 | n | 186 | 726 | 700 | (26) | (10) | (16) | 680 | (20) | (9) | (11) |
| 39018 | Fairmount 18 | 1 | n | 188 | 125 | 122 | (3) | (2) | (1) | 118 | (4) | (2) | (2) |
| 19049 | Elgin-New Leipzig 49 | 1 | n | 188 | 168 | 170 | 2 | - | - | 170 | - | (2) | - |
| 20018 | Griggs County Central 18 | 1 | n | 190 | 297 | 288 | (9) | (4) | (5) | 279 | (9) | (4) | (5) |
| 18128 | Midway 128 | 1 | n | 191 | 257 | 249 | (8) | (4) | (4) | 243 | (6) | (3) | (3) |
| 35001 | Wolford 1 | 1 | n | 192 | 46 | 43 | (3) | (1) | (2) | 41 | (2) | (1) | (1) |
| 22028 | Tappen 28 | 1 | n | 195 | 90 | 86 | (4) | (1) | (3) | 84 | (2) | (1) | (1) |
| 18001 | Grand Forks 1 | 1 | n | 209 | 7,316 | 7,102 | (214) | (105) | (109) | 6,907 | (195) | (92) | (103) |
| 9001 | Fargo 1 | 1 | n | 279 | 10,646 | 10,667 | 21 | - | - | 10,682 | 15 | - | - |
| 40007 | Belcourt 7 | 1 | y | - | 1,625 | 1,607 | (18) | (23) | - | 1,582 | (25) | (21) | (4) |

| CoDist | DNAME | DTYPE | Equity District (y/n) | GF Levy 3 | 2006 Fall k12 | Projected Fall 2007 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg | Projected Fall 2008 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 27036 | Mandaree 36 | 1 | y | 82 | 174 | 171 | (3) | (3) | - | 171 | - | (2) | - |
| 40001 | Dunseith 1 | 1 | y | 137 | 574 | 568 | (6) | (8) | - | 560 | (8) | (7) | (1) |
| 40003 | St John 3 | 1 | y | 144 | 312 | 309 | (3) | (4) | - | 304 | (5) | (4) | (1) |
| 3029 | Warwick 29 | 1 | y | 149 | 189 | 188 | (1) | (3) | - | 189 | 1 | - | - |
| 31003 | Parshall 3 | 1 | y | 156 | 270 | 264 | (6) | (4) | (2) | 262 | (2) | (3) | - |
| 51041 | Surrey 41 | 1 | y | 157 | 332 | 326 | (6) | (5) | (1) | 320 | (6) | (4) | (2) |
| 53006 | Eight Mile 6 | 1 | y | 162 | 227 | 223 | (4) | (3) | (1) | 221 | (2) | (3) | - |
| 31001 | New Town 1 | 1 | y | 164 | 708 | 693 | (15) | (10) | (5) | 684 | (9) | (9) | - |
| 14002 | New Rockford-Sheyenne 2 | 1 | y | 165 | 423 | 407 | (16) | (6) | (10) | 387 | (20) | (5) | (15) |
| 3005 | Minnewaukan 5 | 1 | y | 166 | 217 | 216 | (1) | (3) | - | 218 | 2 | - | - |
| 15036 | Linton 36 | 1 | y | 171 | 326 | 310 | (16) | (5) | (11) | 299 | (11) | (4) | (7) |
| 41002 | Milnor 2 | 1 | y | 176 | 292 | 293 | 1 | - | - | 287 | (6) | (4) | (2) |
| 41003 | N Sargent 3 | 1 | y | 178 | 231 | 232 | 1 | - | - | 228 | (4) | (3) | (1) |
| 18061 | Thompson 61 | 1 | y | 178 | 424 | 412 | (12) | (6) | (6) | 400 | (12) | (5) | (7) |
| 51007 | United 7 | 1 | y | 180 | 545 | 537 | (8) | (8) | - | 525 | (12) | (7) | (5) |
| 40004 | Mt Pleasant 4 | 1 | y | 180 | 259 | 255 | (4) | (4) | - | 251 | (4) | (3) | (1) |
| 18044 | Larimore 44 | 1 | y | 180 | 489 | 475 | (14) | (7) | (7) | 460 | (15) | (6) | (9) |
| 30039 | Flasher 39 | 1 | y | 182 | 223 | 219 | (4) | (3) | (1) | 214 | (5) | (3) | (2) |
| 50020 | Minto 20 | 1 | y | 182 | 236 | 232 | (4) | (3) | (1) | 228 | (4) | (3) | (1) |
| 50106 | Edinburg 106 | 1 | y | 182 | 122 | 120 | (2) | (2) | - | 118 | (2) | (2) | - |
| 11041 | Oakes 41 | 1 | y | 184 | 527 | 529 | 2 | - | - | 532 | 3 | - | - |
| 50003 | Grafton 3 | 1 | y | 185 | 894 | 879 | (15) | (13) | (2) | 864 | (15) | (11) | (4) |
| 2002 | Valley City 2 | 1 | y | 185 | 1,094 | 1,050 | (44) | (16) | (28) | 1,032 | (18) | (14) | (4) |
| 3030 | Ft Totten 30 | 1 | y | 185 | 176 | 172 | (4) | (3) | (1) | 167 | (5) | (2) | (3) |
| 28085 | White Shield 85 | 1 | y | 185 | 124 | 121 | (3) | (2) | (1) | 118 | (3) | (2) | (1) |
| 29003 | Hazen 3 | 1 | y | 185 | 640 | 615 | (25) | (9) | (16) | 599 | (16) | (8) | (8) |
| 30001 | Mandan 1 | 1 | y | 185 | 3,144 | 3,079 | (65) | (45) | (20) | 3,017 | (62) | (40) | (22) |
| 36001 | Devils Lake 1 | 1 | y | 185 | 1,756 | 1,731 | (25) | (25) | - | 1,700 | (31) | (23) | (8) |
| 37019 | Lisbon 19 | 1 | y | 185 | 641 | 630 | (11) | (9) | (2) | 614 | (16) | (8) | (8) |
| 39037 | Wahpeton 37 | 1 | y | 185 | 1,294 | 1,261 | (33) | (19) | (14) | 1,207 | (54) | (16) | (38) |
| 40029 | Rolette 29 | 1 | y | 185 | 168 | 166 | (2) | (2) | - | 164 | (2) | (2) | - |
| 43003 | Solen 3 | 1 | y | 185 | 157 | 163 | 6 | - | - | 180 | 17 | - | - |
| 43004 | Ft Yates 4 | 1 | y | 185 | 155 | 154 | (1) | (2) | - | 169 | 15 | - | - |
| 45001 | Dickinson 1 | 1 | y | 185 | 2,599 | 2,542 | (57) | (37) | (20) | 2,530 | (12) | (34) | - |
| 45013 | Belfield 13 | 1 | y | 185 | 204 | 199 | (5) | (3) | (2) | 198 | (1) | (3) | - |
| 47001 | Jamestown 1 | 1 | y | 185 | 2,237 | 2,151 | (86) | (32) | (54) | 2,094 | (57) | (28) | (29) |
| 50078 | Park River 78 | 1 | y | 185 | 415 | 408 | (7) | (6) | (1) | 403 | (5) | (5) | - |
| 49007 | Hatton 7 | 1 | y | 204 | 221 | 212 | (9) | (3) | (6) | 206 | (6) | (3) | (3) |
| 8001 | Bismarck 1 | 1 | y | 229 | 10,649 | 10,779 | 130 | - | - | 10,863 | 84 | - | - |

| CoDist | DNAME | DTYPE | Equity District (y/n) | GF Levy 3 | 2006 Fall k12 | Projected Fall 2007 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg | Projected Fall 2008 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 53001 | Williston 1 | 1 | y | 238 | 2,136 | 2,104 | (32) | (31) | (1) | 2,079 | (25) | (28) | - |
| 4001 | Billings Co 1 | 2 | n | - | 48 | 45 | (3) | (1) | (2) | 47 | 2 | - | - |
| 44032 | Central Elementary 32 | 2 | n | 29 | 6 | 6 | - | - | - | 6 | - | - | - |
| 44012 | Marmarth 12 | 2 | n | 31 | 10 | 10 | - | - | - | 10 | - | - | - |
| 18125 | Manvel 125 | 2 | n | 50 | 147 | 143 | (4) | (2) | (2) | 140 | (3) | (2) | (1) |
| 51019 | Eureka 19 | 2 | n | 53 | 10 | 10 | - | - | - | 10 | - | - | - |
| 51004 | Nedrose 4 | 2 | n | 82 | 224 | 218 | (6) | (3) | (3) | 215 | (3) | (3) | - |
| 8039 | Apple Creek 39 | 2 | n | 89 | 55 | 56 | 1 | - | - | 57 | 1 | - | - |
| 51010 | Bell 10 | 2 | n | 98 | 157 | 154 | (3) | (2) | (1) | 151 | (3) | (2) | (1) |
| 15010 | Bakker 10 | 2 | n | 102 | 4 | 4 | - | - | - | 3 | (1) | - | (1) |
| 17006 | Lone Tree 6 | 2 | n | 107 | 33 | 32 | (1) | - | (1) | 32 | - | - | - |
| 3016 | Oberon 16 | 2 | n | 113 | 40 | 40 | - | (1) | - | 42 | 2 | - | - |
| 51070 | S Prairie 70 | 2 | n | 118 | 141 | 137 | (4) | (2) | (2) | 135 | (2) | (2) | - |
| 30008 | Sims 8 | 2 | n | 119 | 20 | 20 | - | - | - | 20 | - | - | - |
| 30004 | Little Heart 4 | 2 | n | 130 | 16 | 16 | - | - | - | 16 | - | - | - |
| 53008 | New 8 | 2 | n | 132 | 202 | 199 | (3) | (3) | - | 194 | (5) | (3) | (2) |
| 8029 | Baldwin 29 | 2 | n | 136 | 19 | 19 | - | - | - | 20 | 1 | - | - |
| 37006 | Ft Ransom 6 | 2 | n | 140 | 23 | 23 | - | - | - | 22 | (1) | - | (1) |
| 47026 | Spiritwood 26 | 2 | n | 140 | 10 | 10 | - | - | - | 9 | (1) | - | (1) |
| 9007 | Mapleton 7 | 2 | n | 141 | 67 | 67 | - | (1) | - | 67 | - | (1) | - |
| 18127 | Emerado 127 | 2 | n | 152 | 67 | 65 | (2) | (1) | (1) | 64 | (1) | (1) | - |
| 27014 | Yellowstone 14 | 2 | n | 155 | 79 | 76 | (3) | (1) | (2) | 76 | - | (1) | - |
| 19018 | Roosevelt 18 | 2 | n | 160 | 135 | 120 | (15) | (2) | (13) | 114 | (6) | (2) | (4) |
| 52035 | Pleasant Valley 3 | 2 | n | 164 | 16 | 15 | (1) | - | (1) | 15 | - | - | - |
| 22014 | Robinson 14 | 2 | n | 164 | 7 | 7 | - | - | - | 7 | - | - | - |
| 8033 | Menoken 33 | 2 | n | 166 | 12 | 12 | - | - | - | 12 | - | - | - |
| 8035 | Sterling 35 | 2 | n | 167 | 38 | 38 | - | (1) | - | 39 | 1 | - | - |
| 9080 | Page 80 | 2 | n | 167 | 98 | 98 | - | (1) | - | 99 | 1 | - | - |
| 50128 | Adams 128 | 2 | n | 167 | 67 | 67 | - | (1) | - | 68 | 1 | - | - |
| 50051 | Nash 51 | 2 | n | 177 | 18 | 18 | - | - | - | 18 | - | - | - |
| 37002 | Sheldon 2 | 2 | n | 177 | 21 | 21 | - | - | - | 20 | (1) | - | (1) |
| 13008 | Dodge 8 | 2 | n | 185 | 15 | 15 | - | - | - | 14 | (1) | - | (1) |
| 22011 | Pettibone-Tuttle 11 | 2 | n | 187 | 6 | 6 | - | - | - | 6 | - | - | - |
| 13037 | Twin Buttes 37 | 2 | y | - | 44 | 41 | (3) | (1) | (2) | 36 | (5) | - | (5) |
| 27018 | Earl | 3 | n | - | 12 | 12 | - | - | - | 12 | - | - | - |
| 27032 | Horse Creek 32 | 3 | n | 47 | 6 | 6 | - | - | - | 6 | - | - | - |
| 30017 | Sweet Briar 17 | 3 | n | 71 | 9 | 9 | - | - | - | 9 | - | - | - |
| 8025 | Naughton 25 | 3 | n | 168 | 3 | 3 | - | - | - | 3 | - | - | - |
| 8045 | Manning 45 | 3 | n | 220 | 5 | 5 | - | - | - | 5 | - | - | - |

| CoDist | DNAME | DTYPE | Equity District (y/n) | GF Levy 3 | 2006 Fall k12 | Projected Fall 2007 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg | Projected Fall 2008 k12 | Projected Change | State Avg Loss | Students Lost Over State Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 95,791 | 94,416 | (1,375) | | (722) | 93,156 | (1,260) | | (738) |
| | | | | State Average Change | | | -1.44% | - | | | -1.33% | | |

Source: Fall Enr 2006-07, Projected Fall Enrolment for 2007-08 and 2008-09
Districts, District Type are from 2006-07 school year
GF Levy 3 = GF, Transporation and Tuition Levies for 2006-2007 school year
Equity District = projected eligible at conference committee.

DType 1 districts are k-12 districts
DType 2 and 3 districts are k-12 districts

| | | |
|---|---|---|
| Equity Districts | -215 | -191 |
| Non Equity Districts | -507 | -547 |
| GF Levy 3 <160 | -195 | -188 |
| GF Levy 3 >= 160 | -527 | -550 |
| K-12 districts | -692 | -720 |
| K-8 districts | -30 | -18 |

Year 1 Projection

100%

A

503,969
544,672
548,641
1,048,641

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 378 | 1,098,833 | 1,175,752 | 76,919 | 7.0% | 1,152,466 | 7,253 | 165.85 | 321 | 21,605 | - |
| 2002 | Valley City 2 | 1,161 | 3,679,985 | 4,413,967 | 733,983 | 19.9% | 3,140,246 | 7,044 | 185.00 | 1,073 | 15,824 | - |
| 2046 | Litchville-Marion 46 | 218 | 545,525 | 559,164 | 13,639 | 2.5% | 1,029,571 | 9,777 | 150.48 | 163 | 42,104 | - |
| 2065 | N Central 65 | 193 | 429,984 | 440,734 | 10,750 | 2.5% | 1,034,215 | 10,207 | 158.16 | 145 | 45,253 | - |
| 2082 | Wimbledon-Courtenay 8 | 198 | 450,062 | 461,314 | 11,251 | 2.5% | 993,137 | 9,894 | 165.13 | 147 | 40,913 | 13,748.79 |
| 3005 | Minnewaukan 5 | 278 | 849,572 | 1,171,051 | 321,479 | 37.8% | 264,993 | 6,871 | 166.43 | 209 | 7,618 | - |
| 3006 | Leeds 6 | 215 | 609,274 | 651,924 | 42,650 | 7.0% | 758,238 | 8,786 | 158.39 | 161 | 29,827 | - |
| 3009 | Maddock 9 | 239 | 740,076 | 767,047 | 26,972 | 3.6% | 764,284 | 8,579 | 176.75 | 179 | 24,225 | - |
| 3016 | Oberon 16 | 49 | 143,003 | 153,013 | 10,010 | 7.0% | 117,656 | 7,416 | 112.56 | 37 | 28,638 | 14,989.97 |
| 3029 | Warwick 29 | 243 | 886,227 | 960,422 | 74,195 | 8.4% | 183,001 | 6,283 | 149.16 | 182 | 6,741 | - |
| 3030 | Ft Totten 30 | 254 | 868,321 | 960,902 | 92,581 | 10.7% | 22,229 | 5,343 | 185.00 | 184 | 653 | - |
| 4001 | Billings Co 1 | 61 | 2,419 | 2,480 | 61 | 2.5% | 1,008,758 | 22,225 | - | 46 | 764,740 | - |
| 5001 | Bottineau 1 | 729 | 2,274,397 | 2,331,255 | 56,858 | 2.5% | 2,291,028 | 6,998 | 145.53 | 661 | 23,834 | - |
| 5017 | Westhope 17 | 183 | 465,755 | 498,359 | 32,604 | 7.0% | 687,866 | 9,021 | 164.68 | 132 | 31,764 | - |
| 5054 | Newburg-United 54 | 116 | 181,774 | 186,319 | 4,545 | 2.5% | 853,654 | 14,648 | 159.31 | 71 | 75,450 | 20,455.14 |
| 6001 | Bowman County 1 | 492 | 1,474,200 | 1,511,052 | 36,853 | 2.5% | 2,543,905 | 9,598 | 151.83 | 423 | 39,657 | - |
| 6033 | Scranton 33 | 212 | 579,011 | 593,486 | 14,475 | 2.5% | 919,298 | 9,575 | 139.17 | 158 | 41,807 | - |
| 7014 | Bowbells 14 | 91 | 223,019 | 228,595 | 5,576 | 2.5% | 569,416 | 11,735 | 156.48 | 68 | 53,513 | - |
| 7027 | Powers Lake 27 | 154 | 440,569 | 471,409 | 30,839 | 7.0% | 522,587 | 8,606 | 182.75 | 116 | 24,758 | - |
| 7036 | Burke Central 36 | 111 | 252,431 | 258,742 | 6,311 | 2.5% | 716,179 | 11,889 | 169.20 | 82 | 51,619 | 18,689.02 |
| 8001 | Bismarck 1 | 11,374 | 34,301,925 | 38,860,997 | 4,559,071 | 13.3% | 42,944,172 | 7,887 | 229.17 | 10,372 | 18,067 | - |
| 8025 | Naughton 25 | 4 | 38,489 | 39,451 | 962 | 2.5% | 53,347 | 30,933 | 167.64 | 3 | 106,075 | - |
| 8028 | Wing 28 | 120 | 333,472 | 356,816 | 23,344 | 7.0% | 351,448 | 7,914 | 141.13 | 90 | 27,824 | - |
| 8029 | Baldwin 29 | 23 | 60,486 | 61,998 | 1,512 | 2.5% | 126,979 | 10,799 | 136.24 | 18 | 52,162 | - |
| 8033 | Menoken 33 | 16 | 20,977 | 21,501 | 524 | 2.5% | 212,139 | 19,470 | 166.26 | 12 | 106,329 | - |
| 8035 | Sterling 35 | 45 | 82,077 | 84,129 | 2,052 | 2.5% | 354,499 | 13,093 | 166.69 | 34 | 63,470 | 22,948.05 |
| 8039 | Apple Creek 39 | 67 | 188,595 | 193,309 | 4,715 | 2.5% | 212,550 | 8,117 | 89.27 | 50 | 46,522 | 20,285.13 |
| 8045 | Manning 45 | 6 | 22,914 | 23,487 | 573 | 2.5% | 55,426 | 17,536 | 219.94 | 5 | 56,001 | - |
| 9001 | Fargo 1 | 11,291 | 32,106,643 | 34,354,103 | 2,247,460 | 7.0% | 62,202,912 | 9,342 | 278.62 | 10,336 | 21,600 | - |
| 9002 | Kindred 2 | 716 | 2,066,427 | 2,211,075 | 144,649 | 7.0% | 2,243,324 | 6,713 | 169.89 | 664 | 19,901 | - |
| 9004 | Maple Valley 4 | 342 | 862,907 | 923,311 | 60,404 | 7.0% | 1,648,894 | 10,127 | 175.81 | 254 | 36,925 | - |
| 9006 | West Fargo 6 | 6,289 | 17,249,837 | 18,457,358 | 1,207,521 | 7.0% | 23,911,685 | 7,367 | 185.00 | 5,751 | 22,469 | - |
| 9007 | Mapleton 7 | 82 | 265,292 | 271,925 | 6,632 | 2.5% | 475,025 | 12,146 | 140.96 | 62 | 54,796 | 18,367.73 |
| 9017 | Central Cass 17 | 881 | 2,564,733 | 2,744,261 | 179,527 | 7.0% | 2,241,894 | 6,156 | 155.38 | 810 | 17,813 | - |
| 9080 | Page 80 | 127 | 333,952 | 342,301 | 8,348 | 2.5% | 644,206 | 10,439 | 166.76 | 95 | 40,879 | 16,651.72 |
| 9097 | Northern Cass | 536 | 1,435,497 | 1,535,984 | 100,487 | 7.0% | 1,971,257 | 7,158 | 170.54 | 490 | 23,590 | - |
| 10019 | Munich 19 | 169 | 362,702 | 388,092 | 25,390 | 7.0% | 646,207 | 10,042 | 148.37 | 103 | 42,285 | - |
| 10023 | Langdon Area 23 | 502 | 1,259,216 | 1,347,362 | 88,146 | 7.0% | 2,327,196 | 8,049 | 157.50 | 457 | 32,368 | - |
| 11040 | Ellendale 40 | 404 | 1,180,147 | 1,262,758 | 82,611 | 7.0% | 1,204,878 | 7,101 | 172.55 | 348 | 20,094 | - |
| 11041 | Oakes 41 | 561 | 1,609,625 | 1,734,296 | 124,671 | 7.7% | 1,809,238 | 6,914 | 183.93 | 513 | 19,190 | - |



RM 4/18/07

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12001 | Divide County 1 | 321 | 913,176 | 936,005 | 22,829 | 2.5% | 1,336,024 | 9,255 | 140.93 | 246 | 38,615 | - |
| 13008 | Dodge 8 | 19 | 69,873 | 71,620 | 1,747 | 2.5% | 151,185 | 15,915 | 185.00 | 14 | 58,373 | - |
| 13016 | Killdeer 16 | 407 | 1,163,769 | 1,245,231 | 81,462 | 7.0% | 1,579,452 | 7,968 | 158.78 | 355 | 28,060 | - |
| 13019 | Halliday 19 | 37 | 83,323 | 85,406 | 2,083 | 2.5% | 353,885 | 15,689 | 171.31 | 28 | 73,777 | - |
| 13037 | Twin Buttes 37 | 57 | 212,494 | 217,807 | 5,312 | 2.5% | 41,901 | 6,258 | - | 42 | 598 | - |
| 14002 | New Rockford-Sheyenn | 492 | 1,534,014 | 1,595,462 | 61,448 | 4.0% | 1,177,094 | 6,609 | 165.00 | 420 | 17,006 | - |
| 15006 | Hazelton-Moffit-Braddoc | 183 | 478,637 | 512,142 | 33,505 | 7.0% | 628,415 | 8,417 | 152.64 | 136 | 30,384 | - |
| 15010 | Bakker 10 | 5 | 192 | 197 | 5 | 2.5% | 115,721 | 28,980 | 101.81 | 4 | 284,160 | - |
| 15015 | Strasburg 15 | 212 | 640,122 | 656,124 | 16,002 | 2.5% | 497,811 | 7,327 | 142.50 | 158 | 22,180 | - |
| 15036 | Linton 36 | 376 | 1,133,780 | 1,230,823 | 97,043 | 8.6% | 941,644 | 6,864 | 171.03 | 317 | 17,396 | - |
| 16049 | Carrington 49 | 662 | 1,900,092 | 2,033,096 | 133,004 | 7.0% | 2,072,890 | 6,843 | 150.67 | 600 | 22,930 | - |
| 17003 | Beach 3 | 354 | 1,109,638 | 1,137,379 | 27,741 | 2.5% | 1,696,826 | 10,050 | 145.42 | 282 | 26,037 | - |
| 17006 | Lone Tree 6 | 44 | 121,740 | 124,783 | 3,043 | 2.5% | 203,482 | 10,258 | 106.68 | 32 | 52,526 | 21,956.54 |
| 18001 | Grand Forks 1 | 7,717 | 23,194,986 | 24,722,318 | 1,527,332 | 6.6% | 34,176,403 | 8,349 | 208.62 | 7,055 | 23,222 | - |
| 18044 | Larimore 44 | 539 | 1,668,670 | 1,911,332 | 242,662 | 14.5% | 1,490,789 | 6,929 | 180.31 | 491 | 16,839 | - |
| 18061 | Thompson 61 | 451 | 1,319,511 | 1,611,185 | 291,673 | 22.1% | 1,174,752 | 6,787 | 178.49 | 411 | 16,033 | - |
| 18125 | Manvel 125 | 209 | 668,903 | 685,625 | 16,723 | 2.5% | 196,446 | 6,278 | 49.61 | 141 | 28,184 | 8,277.28 |
| 18127 | Emerado 127 | 88 | 302,861 | 310,433 | 7,572 | 2.5% | 337,934 | 9,975 | 151.84 | 65 | 34,240 | 17,428.48 |
| 18128 | Midway 128 | 318 | 839,071 | 897,805 | 58,733 | 7.0% | 1,169,996 | 8,406 | 190.97 | 246 | 24,905 | - |
| 18129 | Northwood 129 | 360 | 1,051,886 | 1,125,517 | 73,631 | 7.0% | 1,098,947 | 7,644 | 185.00 | 291 | 20,413 | - |
| 19018 | Roosevelt 18 | 167 | 557,105 | 571,032 | 13,928 | 2.5% | 418,576 | 7,583 | 159.80 | 131 | 20,023 | 11,072.23 |
| 19049 | Elgin-New Leipzig 49 | 220 | 630,643 | 674,789 | 44,145 | 7.0% | 841,241 | 9,272 | 188.24 | 164 | 27,333 | - |
| 20007 | Midkota 7 | 159 | 416,239 | 426,644 | 10,406 | 2.5% | 1,081,194 | 12,778 | 185.00 | 118 | 49,528 | 14,594.22 |
| 20018 | Griggs County Central 1 | 361 | 1,054,484 | 1,128,298 | 73,814 | 7.0% | 1,209,756 | 8,062 | 190.00 | 290 | 21,956 | - |
| 21001 | Mott-Regent 1 | 309 | 819,844 | 877,233 | 57,389 | 7.0% | 1,055,721 | 8,139 | 144.25 | 238 | 30,816 | - |
| 21009 | New England 9 | 218 | 570,461 | 595,680 | 25,219 | 4.4% | 1,019,363 | 9,939 | 170.50 | 163 | 36,792 | - |
| 22011 | Pettibone-Tuttle 11 | 8 | 16,886 | 17,309 | 422 | 2.5% | 225,379 | 40,448 | 187.48 | 6 | 200,358 | - |
| 22014 | Robinson 14 | 25 | 52,930 | 54,253 | 1,323 | 2.5% | 203,575 | 39,666 | 163.92 | 7 | 191,064 | - |
| 22020 | Tuttle-Pettibone 20 | 31 | 76,804 | 78,725 | 1,920 | 2.5% | 376,162 | 19,778 | 171.40 | 23 | 95,419 | - |
| 22026 | Steele-Dawson 26 | 348 | 965,665 | 1,033,261 | 67,596 | 7.0% | 856,983 | 6,849 | 161.23 | 276 | 19,258 | - |
| 22028 | Tappen 28 | 115 | 363,583 | 372,673 | 9,089 | 2.5% | 352,457 | 8,432 | 195.00 | 86 | 21,017 | 15,910.54 |
| 23003 | Edgeley 3 | 285 | 813,708 | 870,666 | 56,958 | 7.0% | 961,975 | 8,524 | 156.20 | 215 | 28,645 | - |
| 23007 | Kulm 7 | 159 | 343,179 | 351,757 | 8,579 | 2.5% | 1,006,088 | 11,556 | 170.04 | 118 | 50,356 | 16,421.21 |
| 23008 | LaMoure 8 | 370 | 1,082,313 | 1,158,073 | 75,761 | 7.0% | 1,091,277 | 7,209 | 148.21 | 312 | 23,599 | - |
| 24002 | Napoleon 2 | 305 | 870,967 | 931,935 | 60,967 | 7.0% | 686,319 | 6,872 | 162.60 | 236 | 17,923 | - |
| 24056 | Gackle 14 | 134 | 291,942 | 299,241 | 7,299 | 2.5% | 700,021 | 9,993 | 141.76 | 100 | 49,381 | - |
| 25001 | Velva 1 | 439 | 1,271,061 | 1,360,033 | 88,972 | 7.0% | 1,236,691 | 6,541 | 148.96 | 397 | 20,912 | - |
| 25014 | Anamoose 14 | 103 | 321,662 | 329,929 | 8,267 | 2.6% | 368,185 | 9,066 | 178.81 | 77 | 26,689 | 16,733.10 |
| 25057 | Drake 57 | 167 | 432,194 | 462,447 | 30,253 | 7.0% | 621,506 | 8,742 | 161.54 | 124 | 31,027 | - |
| 25060 | TGU 60 | 390 | 962,232 | 1,029,591 | 67,358 | 7.0% | 1,847,665 | 8,640 | 153.81 | 333 | 36,074 | - |

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 26004 | Zeeland 4 | 96 | 201,797 | 206,842 | 5,045 | 2.5% | 440,602 | 12,949 | 160.95 | 50 | 54,750 | 19,954.97 |
| 26009 | Ashley 9 | 190 | 544,140 | 582,228 | 38,089 | 7.0% | 629,197 | 8,561 | 153.21 | 142 | 29,023 | - |
| 26019 | Wishek 19 | 294 | 853,594 | 913,344 | 59,750 | 7.0% | 722,026 | 7,268 | 147.36 | 225 | 21,777 | - |
| 27001 | McKenzie Co 1 | 572 | 1,626,070 | 1,666,721 | 40,651 | 2.5% | 2,682,733 | 8,324 | 145.06 | 523 | 35,395 | - |
| 27002 | Alexander 2 | 83 | 132,395 | 135,706 | 3,310 | 2.5% | 502,492 | 17,019 | 142.04 | 38 | 94,338 | - |
| 27014 | Yellowstone 14 | 110 | 319,512 | 341,878 | 22,366 | 7.0% | 375,409 | 9,255 | 155.27 | 78 | 29,776 | 2,634.18 |
| 27018 | Earl | 19 | 811 | 831 | 20 | 2.5% | 34,223 | 2,921 | - | 12 | 179,575 | - |
| 27032 | Horse Creek 32 | 8 | 288 | 295 | 7 | 2.5% | 108,903 | 18,200 | 46.98 | 6 | 281,690 | - |
| 27036 | Mandaree 36 | 234 | 866,039 | 887,691 | 21,652 | 2.5% | 221,964 | 6,527 | 82.22 | 170 | 15,880 | - |
| 28001 | Montefiore 1 | 281 | 851,354 | 899,705 | 48,351 | 5.7% | 698,705 | 7,504 | 150.71 | 213 | 21,766 | - |
| 28004 | Washburn 4 | 362 | 1,055,150 | 1,105,837 | 50,686 | 4.8% | 957,760 | 6,925 | 139.87 | 298 | 22,978 | - |
| 28008 | Underwood 8 | 275 | 768,455 | 822,246 | 53,791 | 7.0% | 996,815 | 8,745 | 164.09 | 208 | 29,017 | - |
| 28050 | Max 50 | 193 | 587,562 | 616,803 | 29,241 | 5.0% | 631,618 | 8,761 | 171.39 | 143 | 25,862 | - |
| 28051 | Garrison 51 | 389 | 1,072,970 | 1,148,079 | 75,109 | 7.0% | 1,515,578 | 8,084 | 161.98 | 330 | 28,396 | - |
| 28072 | Turtle Lake-Mercer 72 | 215 | 609,173 | 624,402 | 15,229 | 2.5% | 888,005 | 9,453 | 154.38 | 160 | 35,950 | - |
| 28085 | White Shield 85 | 159 | 552,067 | 600,732 | 48,665 | 8.8% | 149,394 | 6,411 | 185.00 | 117 | 6,902 | - |
| 29003 | Hazen 3 | 692 | 2,257,749 | 2,474,032 | 216,282 | 9.6% | 2,006,628 | 7,078 | 185.00 | 633 | 17,135 | - |
| 29020 | Golden Valley 20 | 48 | 137,111 | 140,539 | 3,428 | 2.5% | 288,915 | 11,929 | 170.88 | 36 | 46,965 | 21,572.11 |
| 29027 | Beulah 27 | 760 | 2,466,849 | 2,528,520 | 61,671 | 2.5% | 2,827,535 | 7,668 | 185.65 | 699 | 21,805 | - |
| 30001 | Mandan 1 | 3,381 | 10,352,574 | 12,882,384 | 2,529,810 | 24.4% | 9,092,100 | 7,052 | 185.00 | 3,116 | 15,772 | - |
| 30004 | Little Heart 4 | 21 | 58,540 | 60,004 | 1,464 | 2.5% | 109,999 | 10,968 | 130.04 | 16 | 54,573 | - |
| 30007 | New Salem 7 | 375 | 1,148,339 | 1,198,302 | 49,963 | 4.4% | 787,808 | 6,226 | 149.15 | 319 | 16,558 | - |
| 30008 | Sims 8 | 25 | 43,884 | 44,981 | 1,097 | 2.5% | 181,996 | 11,946 | 118.51 | 19 | 80,826 | - |
| 30013 | Hebron 13 | 217 | 598,274 | 640,152 | 41,879 | 7.0% | 704,634 | 8,431 | 166.40 | 160 | 26,549 | - |
| 30017 | Sweet Briar 17 | 11 | 27,378 | 28,062 | 684 | 2.5% | 27,106 | 6,896 | 70.99 | 8 | 47,729 | - |
| 30039 | Flasher 39 | 283 | 871,772 | 1,046,524 | 174,752 | 20.0% | 601,050 | 7,681 | 181.55 | 215 | 15,434 | - |
| 30048 | Glen Ullin 48 | 225 | 721,449 | 739,484 | 18,035 | 2.5% | 769,385 | 8,981 | 162.42 | 168 | 28,196 | 6,964.73 |
| 31001 | New Town 1 | 768 | 2,578,984 | 3,045,102 | 466,118 | 18.1% | 891,763 | 5,656 | 163.90 | 696 | 7,817 | - |
| 31002 | Stanley 2 | 395 | 1,152,392 | 1,233,059 | 80,666 | 7.0% | 1,137,715 | 6,952 | 171.41 | 341 | 19,464 | - |
| 31003 | Parshall 3 | 336 | 930,213 | 1,032,701 | 102,488 | 11.0% | 655,468 | 6,395 | 156.49 | 264 | 15,866 | - |
| 32001 | Dakota Prairie 1 | 341 | 888,092 | 930,965 | 42,873 | 4.8% | 1,805,290 | 10,267 | 185.00 | 267 | 36,617 | - |
| 32066 | Lakota 66 | 286 | 847,110 | 906,408 | 59,299 | 7.0% | 898,902 | 8,397 | 185.00 | 215 | 22,600 | - |
| 33001 | Center-Stanton 1 | 319 | 1,044,715 | 1,070,834 | 26,119 | 2.5% | 1,283,265 | 9,531 | 174.98 | 247 | 29,691 | - |
| 34006 | Cavalier 6 | 479 | 1,509,169 | 1,546,899 | 37,730 | 2.5% | 1,696,548 | 7,517 | 185.00 | 432 | 21,253 | - |
| 34012 | Valley 12 | 207 | 574,013 | 614,195 | 40,182 | 7.0% | 827,118 | 9,329 | 184.97 | 155 | 28,714 | - |
| 34019 | Drayton 19 | 181 | 415,493 | 425,879 | 10,387 | 2.5% | 1,014,424 | 10,630 | 181.83 | 136 | 41,163 | 14,613.16 |
| 34043 | St Thomas 43 | 154 | 404,054 | 432,338 | 28,284 | 7.0% | 608,303 | 9,089 | 185.00 | 115 | 28,717 | - |
| 34100 | North Border 100 | 623 | 1,674,017 | 1,791,197 | 117,180 | 7.0% | 2,340,560 | 8,735 | 184.77 | 473 | 26,781 | - |
| 35001 | Wolford 1 | 76 | 199,956 | 207,376 | 7,420 | 3.7% | 326,033 | 11,854 | 191.95 | 45 | 37,745 | 17,580.27 |
| 35005 | Rugby 5 | 562 | 1,615,759 | 1,728,860 | 113,101 | 7.0% | 2,106,924 | 7,499 | 182.50 | 512 | 22,570 | - |

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 36001 | Devils Lake 1 | 1,848 | 6,351,512 | 8,369,101 | 2,017,589 | 31.8% | 3,651,284 | 7,052 | 185.00 | 1,705 | 11,561 | - |
| 36002 | Edmore 2 | 108 | 161,664 | 165,706 | 4,042 | 2.5% | 700,711 | 10,696 | 143.00 | 81 | 60,495 | - |
| 36044 | Starkweather 44 | 143 | 366,718 | 392,389 | 25,671 | 7.0% | 498,139 | 10,295 | 168.62 | 87 | 34,153 | - |
| 37002 | Sheldon 2 | 27 | 81,589 | 83,629 | 2,040 | 2.5% | 259,806 | 16,753 | 177.36 | 21 | 71,456 | - |
| 37006 | Ft Ransom 6 | 28 | 69,054 | 70,780 | 1,726 | 2.5% | 136,357 | 10,357 | 139.97 | 20 | 48,709 | - |
| 37019 | Lisbon 19 | 696 | 2,111,381 | 2,670,740 | 559,359 | 26.5% | 1,840,735 | 7,066 | 185.00 | 639 | 15,583 | - |
| 37022 | Enderlin 22 | 363 | 1,053,864 | 1,127,635 | 73,771 | 7.0% | 1,313,483 | 8,261 | 181.78 | 296 | 24,415 | - |
| 38001 | Mohall-Lansford-Sherwc | 408 | 1,146,028 | 1,174,676 | 28,649 | 2.5% | 1,827,074 | 9,778 | 147.42 | 307 | 40,370 | - |
| 38026 | Glenburn 26 | 328 | 1,066,205 | 1,092,858 | 26,654 | 2.5% | 677,538 | 6,943 | 147.71 | 255 | 17,988 | - |
| 39008 | Hankinson 8 | 369 | 1,004,805 | 1,075,143 | 70,337 | 7.0% | 1,117,001 | 7,152 | 170.00 | 307 | 21,437 | - |
| 39018 | Fairmount 18 | 159 | 376,914 | 403,298 | 26,384 | 7.0% | 795,349 | 10,073 | 188.08 | 119 | 35,536 | - |
| 39028 | Lidgerwood 28 | 252 | 750,190 | 802,703 | 52,513 | 7.0% | 736,103 | 8,078 | 185.00 | 191 | 20,887 | - |
| 39037 | Wahpeton 37 | 1,411 | 4,338,057 | 5,131,087 | 793,030 | 18.3% | 4,006,151 | 7,078 | 185.00 | 1,291 | 16,773 | - |
| 39042 | Wyndmere 42 | 309 | 827,927 | 885,881 | 57,953 | 7.0% | 1,070,939 | 8,239 | 152.23 | 238 | 29,621 | - |
| 39044 | Richland 44 | 373 | 1,096,305 | 1,173,047 | 76,742 | 7.0% | 1,110,515 | 7,366 | 185.00 | 310 | 19,364 | - |
| 40001 | Dunseith 1 | 606 | 2,148,191 | 2,369,146 | 220,955 | 10.3% | 210,000 | 4,698 | 136.53 | 549 | 2,802 | - |
| 40003 | St John 3 | 367 | 1,252,699 | 1,407,614 | 154,915 | 12.4% | 118,497 | 5,096 | 144.37 | 300 | 2,741 | - |
| 40004 | Mt Pleasant 4 | 322 | 1,044,520 | 1,089,895 | 45,376 | 4.3% | 802,013 | 7,568 | 180.07 | 250 | 17,801 | - |
| 40007 | Belcourt 7 | 1,718 | 6,373,706 | 6,691,265 | 317,560 | 5.0% | - | 4,278 | - | 1,564 | 236 | - |
| 40029 | Rolette 29 | 222 | 690,917 | 719,786 | 28,868 | 4.2% | 579,106 | 7,920 | 185.00 | 164 | 19,087 | - |
| 41002 | Milnor 2 | 353 | 1,069,188 | 1,400,139 | 330,952 | 31.0% | 681,123 | 7,367 | 175.84 | 283 | 13,707 | - |
| 41003 | N Sargent 3 | 291 | 903,429 | 1,113,152 | 209,723 | 23.2% | 571,712 | 7,676 | 177.98 | 220 | 14,629 | - |
| 41006 | Sargent Central 6 | 344 | 877,646 | 939,080 | 61,434 | 7.0% | 1,428,234 | 8,800 | 184.73 | 269 | 28,742 | - |
| 42016 | Goodrich 16 | 55 | 136,931 | 140,354 | 3,423 | 2.5% | 327,015 | 11,399 | 185.00 | 41 | 43,110 | 21,577.00 |
| 42019 | McClusky 19 | 132 | 351,192 | 375,776 | 24,584 | 7.0% | 493,567 | 8,826 | 174.73 | 99 | 28,678 | 416.00 |
| 43003 | Solen 3 | 204 | 775,129 | 794,508 | 19,379 | 2.5% | 46,307 | 5,514 | 185.00 | 153 | 1,641 | 5,621.45 |
| 43004 | Ft Yates 4 | 225 | 985,777 | 1,010,422 | 24,645 | 2.5% | 89,335 | 7,332 | 185.00 | 150 | 3,219 | 355.07 |
| 43008 | Selfridge 8 | 83 | 74,759 | 79,992 | 5,233 | 7.0% | 244,283 | 7,206 | 183.10 | 45 | 29,648 | 19,766.56 |
| 44012 | Marmarth 12 | 15 | 802 | 822 | 20 | 2.5% | 130,866 | 13,169 | 30.62 | 10 | 283,421 | - |
| 44032 | Central Elementary 32 | 7 | 200 | 205 | 5 | 2.5% | 118,492 | 21,581 | 28.96 | 6 | 554,397 | - |
| 45001 | Dickinson 1 | 2,763 | 8,731,449 | 10,702,138 | 1,970,688 | 22.6% | 7,247,356 | 7,054 | 185.00 | 2,545 | 15,396 | - |
| 45009 | South Heart 9 | 297 | 961,686 | 985,728 | 24,041 | 2.5% | 589,908 | 6,911 | 146.00 | 228 | 17,721 | - |
| 45013 | Belfield 13 | 270 | 898,490 | 1,115,171 | 216,681 | 24.1% | 476,435 | 7,821 | 185.00 | 204 | 12,655 | - |
| 45034 | Richardton-Taylor 34 | 326 | 999,441 | 1,044,727 | 45,286 | 4.5% | 938,258 | 7,885 | 185.00 | 252 | 20,166 | - |
| 46010 | Hope 10 | 161 | 420,278 | 449,698 | 29,420 | 7.0% | 665,994 | 9,297 | 176.09 | 120 | 31,518 | - |
| 46019 | Finley-Sharon 19 | 226 | 616,777 | 659,950 | 43,173 | 7.0% | 836,771 | 8,883 | 185.00 | 169 | 26,843 | - |
| 47001 | Jamestown 1 | 2,401 | 7,782,988 | 9,070,232 | 1,287,244 | 16.5% | 6,512,612 | 7,072 | 185.00 | 2,204 | 15,948 | - |
| 47003 | Medina 3 | 208 | 597,697 | 639,535 | 41,839 | 7.0% | 678,460 | 8,503 | 169.06 | 155 | 25,891 | - |
| 47010 | Pingree-Buchanan | 205 | 601,482 | 643,585 | 42,103 | 7.0% | 553,896 | 7,827 | 165.92 | 153 | 21,819 | - |
| 47014 | Montpelier 14 | 147 | 411,918 | 440,752 | 28,834 | 7.0% | 499,182 | 8,623 | 185.00 | 109 | 24,755 | - |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 47019 | Kensal 19 | 81 | 155,845 | 159,741 | 3,896 | 2.5% | 451,090 | 12,594 | 170.00 | 49 | 54,711 | 21,104.12 |
| 47026 | Spiritwood 26 | 13 | 751 | 769 | 19 | 2.5% | 438,847 | 43,962 | 140.09 | 10 | 313,261 | - |
| 48002 | Bisbee-Egeland 2 | 75 | 170,515 | 174,777 | 4,263 | 2.5% | 639,996 | 14,550 | 176.79 | 56 | 64,644 | 20,737.34 |
| 48008 | Southern 8 | 267 | 816,397 | 854,888 | 38,490 | 4.7% | 640,852 | 7,497 | 164.12 | 200 | 19,567 | - |
| 48028 | North Central 28 | 102 | 241,616 | 247,656 | 6,040 | 2.5% | 743,016 | 15,979 | 153.82 | 62 | 77,910 | - |
| 49003 | Central Valley 3 | 334 | 904,047 | 967,331 | 63,284 | 7.0% | 1,036,027 | 7,720 | 153.64 | 260 | 25,985 | - |
| 49007 | Hatton 7 | 286 | 857,568 | 946,595 | 89,027 | 10.4% | 815,098 | 8,156 | 203.50 | 216 | 18,544 | - |
| 49009 | Hillsboro 9 | 456 | 1,256,147 | 1,344,080 | 87,932 | 7.0% | 1,820,020 | 7,832 | 178.64 | 404 | 25,218 | - |
| 49014 | May-Port CG 14 | 599 | 1,705,596 | 1,824,991 | 119,395 | 7.0% | 2,162,222 | 7,303 | 185.00 | 546 | 21,406 | - |
| 50003 | Grafton 3 | 1,011 | 3,257,871 | 4,487,270 | 1,229,400 | 37.7% | 1,905,065 | 7,248 | 184.96 | 882 | 11,678 | - |
| 50005 | Fordville-Lankin 5 | 123 | 366,556 | 375,720 | 9,163 | 2.5% | 477,526 | 9,325 | 155.35 | 92 | 33,594 | - |
| 50020 | Minto 20 | 299 | 868,354 | 962,149 | 93,795 | 10.8% | 767,875 | 7,555 | 181.89 | 229 | 18,431 | - |
| 50051 | Nash 51 | 23 | 51,003 | 52,278 | 1,275 | 2.5% | 166,003 | 12,473 | 176.85 | 18 | 53,638 | - |
| 50078 | Park River 78 | 451 | 1,413,319 | 1,790,002 | 376,683 | 26.7% | 1,108,481 | 7,130 | 185.00 | 407 | 14,735 | - |
| 50106 | Edinburg 106 | 161 | 495,844 | 559,210 | 63,366 | 12.8% | 372,592 | 7,798 | 182.25 | 120 | 17,108 | - |
| 50128 | Adams 128 | 83 | 273,567 | 280,407 | 6,839 | 2.5% | 346,992 | 10,119 | 167.26 | 62 | 33,461 | 18,160.66 |
| 51001 | Minot 1 | 6,805 | 20,811,879 | 21,801,137 | 989,257 | 4.8% | 28,538,197 | 8,063 | 185.00 | 6,244 | 21,948 | - |
| 51004 | Nedrose 4 | 229 | 681,492 | 729,197 | 47,705 | 7.0% | 495,917 | 5,698 | 82.45 | 215 | 27,947 | - |
| 51007 | United 7 | 620 | 1,949,567 | 2,452,086 | 502,519 | 25.8% | 1,449,591 | 6,936 | 179.79 | 563 | 14,334 | - |
| 51010 | Bell 10 | 186 | 555,255 | 594,123 | 38,867 | 7.0% | 300,511 | 6,004 | 97.54 | 149 | 20,658 | - |
| 51016 | Sawyer 16 | 174 | 511,395 | 547,193 | 35,798 | 7.0% | 519,405 | 8,268 | 185.00 | 129 | 21,764 | - |
| 51019 | Eureka 19 | 13 | 18,240 | 18,696 | 456 | 2.5% | 55,749 | 7,445 | 53.14 | 10 | 104,875 | - |
| 51028 | Kenmare 28 | 349 | 928,654 | 993,660 | 65,007 | 7.0% | 1,350,206 | 8,446 | 183.18 | 278 | 26,562 | - |
| 51041 | Surrey 41 | 387 | 1,288,555 | 1,548,409 | 259,854 | 20.2% | 589,353 | 6,508 | 156.94 | 329 | 11,432 | - |
| 51070 | S Prairie 70 | 169 | 499,160 | 511,639 | 12,478 | 2.5% | 550,652 | 7,840 | 118.13 | 136 | 34,392 | 12,521.68 |
| 51161 | Lewis and Clark 161 | 481 | 1,250,218 | 1,337,735 | 87,517 | 7.0% | 1,589,828 | 8,043 | 159.62 | 364 | 27,363 | - |
| 52025 | Fessenden-Bowdon 25 | 250 | 551,467 | 565,255 | 13,788 | 2.5% | 1,089,982 | 8,828 | 135.10 | 188 | 43,029 | - |
| 52035 | Pleasant Valley 3 | 20 | 35,857 | 36,754 | 896 | 2.5% | 185,004 | 15,294 | 163.89 | 15 | 77,850 | - |
| 52038 | Harvey 38 | 468 | 1,363,853 | 1,459,322 | 95,469 | 7.0% | 1,670,453 | 7,330 | 175.34 | 427 | 22,311 | - |
| 53001 | Williston 1 | 2,293 | 7,822,472 | 10,296,230 | 2,473,757 | 31.6% | 5,854,227 | 7,707 | 238.41 | 2,096 | 11,718 | - |
| 53002 | Nesson 2 | 209 | 600,897 | 642,959 | 42,062 | 7.0% | 790,873 | 9,191 | 185.00 | 156 | 27,404 | - |
| 53006 | Eight Mile 6 | 287 | 1,016,855 | 1,104,301 | 87,446 | 8.6% | 462,769 | 7,188 | 162.42 | 218 | 13,070 | - |
| 53008 | New 8 | 243 | 498,637 | 511,101 | 12,465 | 2.5% | 1,159,860 | 8,680 | 131.99 | 193 | 44,714 | 12,535.25 |
| 53015 | Tioga 15 | 297 | 867,776 | 928,521 | 60,745 | 7.0% | 1,274,781 | 9,706 | 178.33 | 227 | 31,491 | - |
| 53099 | Grenora 99 | 100 | 227,004 | 232,679 | 5,675 | 2.5% | 727,950 | 16,421 | 185.00 | 59 | 67,263 | 19,325.36 |
| | Statewide | 107,254 | 319,243,991 | 353,888,700 | 34,644,709 | 10.9% | 383,484,248 | 7,891 | 193.01 | 93,446 | 21,477 | 503,969.07 |
| | Count <> 0 | | | | | | | | | | | |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 364 | 1,098,833 | 1,185,806 | 86,973 | 7.9% | 1,152,466 | 7,794 | 165.85 | 300 | 23,117 | - |
| 2002 | Valley City 2 | 1,114 | 3,679,985 | 4,243,544 | 563,560 | 15.3% | 3,140,246 | 7,179 | 185.00 | 1,029 | 16,501 | - |
| 2046 | Litchville-Marion 46 | 209 | 545,525 | 547,573 | 2,048 | 0.4% | 1,029,571 | 10,107 | 150.48 | 156 | 43,844 | - |
| 2065 | N Central 65 | 186 | 429,984 | 433,823 | 3,839 | 0.9% | 1,034,215 | 10,524 | 158.16 | 140 | 46,875 | - |
| 2082 | Wimbledon-Courtenay | 190 | 450,062 | 451,337 | 1,275 | 0.3% | 993,137 | 10,245 | 165.13 | 141 | 42,654 | 23,725.25 |
| 3005 | Minnewaukan 5 | 286 | 849,572 | 1,229,345 | 379,773 | 44.7% | 264,993 | 6,918 | 166.43 | 216 | 7,371 | - |
| 3006 | Leeds 6 | 219 | 609,274 | 680,994 | 71,720 | 11.8% | 758,238 | 8,794 | 158.39 | 164 | 29,251 | - |
| 3009 | Maddock 9 | 238 | 740,076 | 790,385 | 50,309 | 6.8% | 764,284 | 8,759 | 176.75 | 178 | 24,361 | - |
| 3016 | Oberon 16 | 53 | 143,003 | 175,503 | 32,500 | 22.7% | 117,656 | 7,329 | 112.56 | 40 | 26,132 | - |
| 3029 | Warwick 29 | 249 | 886,227 | 1,002,570 | 116,343 | 13.1% | 183,001 | 6,305 | 149.16 | 188 | 6,525 | - |
| 3030 | Ft Totten 30 | 249 | 868,321 | 969,856 | 101,534 | 11.7% | 22,229 | 5,512 | 185.00 | 180 | 668 | - |
| 4001 | Billings Co 1 | 57 | 2,419 | 2,383 | (36) | -1.5% | 1,008,758 | 23,570 | - | 43 | 811,087 | - |
| 5001 | Bottineau 1 | 698 | 2,274,397 | 2,276,334 | 1,936 | 0.1% | 2,291,028 | 7,228 | 145.53 | 632 | 24,912 | - |
| 5017 | Westhope 17 | 174 | 465,755 | 495,074 | 29,319 | 6.3% | 687,866 | 9,502 | 164.68 | 125 | 33,550 | - |
| 5054 | Newburg-United 54 | 110 | 181,774 | 179,204 | (2,571) | -1.4% | 853,654 | 15,416 | 159.31 | 67 | 79,954 | 27,570.57 |
| 6001 | Bowman County 1 | 488 | 1,474,200 | 1,526,138 | 51,938 | 3.5% | 2,543,905 | 9,725 | 151.83 | 419 | 40,036 | - |
| 6033 | Scranton 33 | 212 | 579,011 | 606,266 | 27,256 | 4.7% | 919,298 | 9,636 | 139.17 | 158 | 41,723 | - |
| 7014 | Bowbells 14 | 89 | 223,019 | 226,237 | 3,218 | 1.4% | 569,416 | 12,055 | 156.48 | 66 | 55,135 | - |
| 7027 | Powers Lake 27 | 153 | 440,569 | 489,184 | 48,615 | 11.0% | 522,587 | 8,836 | 182.75 | 115 | 24,974 | - |
| 7036 | Burke Central 36 | 114 | 252,431 | 271,669 | 19,238 | 7.6% | 716,179 | 11,693 | 169.20 | 84 | 50,103 | 5,761.81 |
| 8001 | Bismarck 1 | 11,592 | 34,301,925 | 41,715,910 | 7,413,984 | 21.6% | 42,944,172 | 8,005 | 229.17 | 10,576 | 17,718 | - |
| 8025 | Naughton 25 | 4 | 38,489 | 40,221 | 1,732 | 4.5% | 53,347 | 31,189 | 167.64 | 3 | 106,075 | - |
| 8028 | Wing 28 | 122 | 333,472 | 373,192 | 39,720 | 11.9% | 351,448 | 8,007 | 141.13 | 91 | 27,516 | - |
| 8029 | Baldwin 29 | 23 | 60,486 | 63,208 | 2,722 | 4.5% | 126,979 | 10,868 | 136.24 | 18 | 52,162 | - |
| 8033 | Menoken 33 | 16 | 20,977 | 21,921 | 944 | 4.5% | 212,139 | 19,505 | 166.26 | 12 | 106,329 | - |
| 8035 | Sterling 35 | 51 | 82,077 | 97,307 | 15,231 | 18.6% | 354,499 | 11,890 | 166.69 | 38 | 55,954 | 9,769.39 |
| 8039 | Apple Creek 39 | 69 | 188,595 | 201,005 | 12,410 | 6.6% | 212,550 | 8,109 | 89.27 | 51 | 45,610 | 12,589.77 |
| 8045 | Manning 45 | 6 | 22,914 | 23,945 | 1,031 | 4.5% | 55,426 | 17,638 | 219.94 | 5 | 56,001 | - |
| 9001 | Fargo 1 | 11,364 | 32,106,643 | 36,190,234 | 4,083,591 | 12.7% | 62,202,912 | 9,457 | 278.62 | 10,404 | 21,459 | - |
| 9002 | Kindred 2 | 717 | 2,066,427 | 2,317,886 | 251,459 | 12.2% | 2,243,324 | 6,864 | 169.89 | 665 | 19,871 | - |
| 9004 | Maple Valley 4 | 352 | 862,907 | 992,658 | 129,751 | 15.0% | 1,648,894 | 10,121 | 175.81 | 261 | 35,934 | - |
| 9006 | West Fargo 6 | 6,298 | 17,249,837 | 19,349,343 | 2,099,507 | 12.2% | 23,911,685 | 7,511 | 185.00 | 5,760 | 22,433 | - |
| 9007 | Mapleton 7 | 82 | 265,292 | 277,231 | 11,938 | 4.5% | 475,025 | 12,232 | 140.96 | 62 | 54,796 | 13,061.88 |
| 9017 | Central Cass 17 | 915 | 2,564,733 | 2,981,419 | 416,686 | 16.2% | 2,241,894 | 6,211 | 155.38 | 841 | 17,156 | - |
| 9080 | Page 80 | 131 | 333,952 | 359,872 | 25,919 | 7.8% | 644,206 | 10,301 | 166.76 | 97 | 39,633 | - |
| 9097 | Northern Cass | 554 | 1,435,497 | 1,663,314 | 227,817 | 15.9% | 1,971,257 | 7,169 | 170.54 | 507 | 22,799 | - |
| 10019 | Munich 19 | 157 | 362,702 | 353,156 | (9,546) | -2.6% | 646,207 | 10,410 | 148.37 | 96 | 45,368 | - |
| 10023 | Langdon Area 23 | 481 | 1,259,216 | 1,350,702 | 91,486 | 7.3% | 2,327,196 | 8,416 | 157.50 | 437 | 33,812 | - |
| 11040 | Ellendale 40 | 405 | 1,180,147 | 1,325,234 | 145,087 | 12.3% | 1,204,878 | 7,262 | 172.55 | 348 | 20,041 | - |
| 11041 | Oakes 41 | 584 | 1,609,625 | 1,963,852 | 354,227 | 22.0% | 1,809,238 | 7,079 | 183.93 | 533 | 18,452 | - |

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | 100% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12001 | Divide County 1 | 313 | 913,176 | 929,787 | 16,611 | 1.8% | 1,336,024 | 9,496 | 140.93 | 239 | 39,732 | - |
| 13008 | Dodge 8 | 20 | 69,873 | 77,786 | 7,913 | 11.3% | 151,185 | 15,347 | 185.00 | 15 | 54,773 | - |
| 13016 | Killdeer 16 | 403 | 1,163,769 | 1,289,518 | 125,749 | 10.8% | 1,579,452 | 8,258 | 158.78 | 347 | 28,631 | - |
| 13019 | Halliday 19 | 35 | 83,323 | 80,848 | (2,475) | -3.0% | 353,885 | 16,720 | 171.31 | 26 | 79,452 | - |
| 13037 | Twin Buttes 37 | 57 | 212,494 | 219,496 | 7,002 | 3.3% | 41,901 | 6,376 | - | 41 | 605 | - |
| 14002 | New Rockford-Sheyenn | 489 | 1,534,014 | 1,637,847 | 103,832 | 6.8% | 1,177,094 | 6,750 | 165.00 | 417 | 17,108 | - |
| 15006 | Hazelton-Moffit-Braddo | 178 | 478,637 | 522,356 | 43,719 | 9.1% | 628,415 | 8,718 | 152.64 | 132 | 31,189 | - |
| 15010 | Bakker 10 | 5 | 192 | 201 | 9 | 4.5% | 115,721 | 28,980 | 101.81 | 4 | 284,160 | - |
| 15015 | Strasburg 15 | 201 | 640,122 | 635,235 | (4,887) | -0.8% | 497,811 | 7,579 | 142.50 | 150 | 23,367 | - |
| 15036 | Linton 36 | 366 | 1,133,780 | 1,214,524 | 80,744 | 7.1% | 941,644 | 7,175 | 171.03 | 301 | 18,322 | - |
| 16049 | Carrington 49 | 690 | 1,900,092 | 2,216,309 | 316,216 | 16.6% | 2,072,890 | 6,863 | 150.67 | 625 | 22,013 | - |
| 17003 | Beach 3 | 360 | 1,109,638 | 1,177,644 | 68,006 | 6.1% | 1,696,826 | 9,933 | 145.42 | 289 | 25,371 | - |
| 17006 | Lone Tree 6 | 42 | 121,740 | 121,670 | (69) | -0.1% | 203,482 | 10,640 | 106.68 | 31 | 55,001 | 25,069.38 |
| 18001 | Grand Forks 1 | 7,768 | 23,194,986 | 25,786,095 | 2,591,109 | 11.2% | 34,176,403 | 8,443 | 208.62 | 7,102 | 23,067 | - |
| 18044 | Larimore 44 | 523 | 1,668,670 | 1,878,110 | 209,439 | 12.6% | 1,490,789 | 7,063 | 180.31 | 477 | 17,333 | - |
| 18061 | Thompson 61 | 454 | 1,319,511 | 1,697,831 | 378,320 | 28.7% | 1,174,752 | 6,955 | 178.49 | 413 | 15,936 | - |
| 18125 | Manvel 125 | 212 | 668,903 | 709,481 | 40,578 | 6.1% | 196,446 | 6,335 | 49.61 | 143 | 27,691 | - |
| 18127 | Emerado 127 | 85 | 302,861 | 306,855 | 3,993 | 1.3% | 337,934 | 10,235 | 151.84 | 63 | 35,327 | 21,006.70 |
| 18128 | Midway 128 | 320 | 839,071 | 947,208 | 108,137 | 12.9% | 1,169,996 | 8,503 | 190.97 | 249 | 24,605 | - |
| 18129 | Northwood 129 | 357 | 1,051,886 | 1,168,063 | 116,177 | 11.0% | 1,098,947 | 7,899 | 185.00 | 287 | 20,698 | - |
| 19018 | Roosevelt 18 | 154 | 557,105 | 537,996 | (19,108) | -3.4% | 418,576 | 8,282 | 159.80 | 116 | 22,624 | 44,108.34 |
| 19049 | Elgin-New Leipzig 49 | 222 | 630,643 | 714,907 | 84,263 | 13.4% | 841,241 | 9,403 | 188.24 | 166 | 27,003 | - |
| 20007 | Midkota 7 | 153 | 416,239 | 420,315 | 4,076 | 1.0% | 1,081,194 | 13,171 | 185.00 | 114 | 51,266 | 20,923.94 |
| 20018 | Griggs County Central | 359 | 1,054,484 | 1,173,015 | 118,531 | 11.2% | 1,209,756 | 8,274 | 190.00 | 288 | 22,108 | - |
| 21001 | Mott-Regent 1 | 292 | 819,844 | 867,717 | 47,873 | 5.8% | 1,055,721 | 8,645 | 144.25 | 223 | 32,893 | - |
| 21009 | New England 9 | 206 | 570,461 | 563,314 | (7,148) | -1.3% | 1,019,363 | 10,311 | 170.50 | 154 | 38,949 | 32,147.71 |
| 22011 | Pettibone-Tuttle 11 | 8 | 16,886 | 17,646 | 760 | 4.5% | 225,379 | 40,504 | 187.48 | 6 | 200,358 | - |
| 22014 | Robinson 14 | 25 | 52,930 | 55,312 | 2,382 | 4.5% | 203,575 | 39,829 | 163.92 | 7 | 191,064 | - |
| 22020 | Tuttle-Pettibone 20 | 29 | 76,804 | 76,796 | (8) | 0.0% | 376,162 | 20,589 | 171.40 | 22 | 99,757 | - |
| 22026 | Steele-Dawson 26 | 348 | 965,665 | 1,081,544 | 115,879 | 12.0% | 856,983 | 7,024 | 161.23 | 276 | 19,258 | - |
| 22028 | Tappen 28 | 113 | 363,583 | 375,541 | 11,957 | 3.3% | 352,457 | 5,626 | 195.00 | 84 | 21,416 | 13,042.53 |
| 23003 | Edgeley 3 | 278 | 813,708 | 888,731 | 75,023 | 9.2% | 961,975 | 8,830 | 156.20 | 210 | 29,383 | - |
| 23007 | Kulm 7 | 156 | 343,179 | 351,311 | 8,133 | 2.4% | 1,006,088 | 11,797 | 170.04 | 115 | 51,423 | 16,867.26 |
| 23008 | LaMoure 8 | 365 | 1,082,313 | 1,165,756 | 83,444 | 7.7% | 1,091,277 | 7,474 | 148.21 | 302 | 24,381 | - |
| 24002 | Napoleon 2 | 309 | 870,967 | 985,804 | 114,837 | 13.2% | 686,319 | 7,026 | 162.60 | 238 | 17,735 | - |
| 24056 | Gackle 14 | 132 | 291,942 | 299,039 | 7,097 | 2.4% | 700,021 | 10,194 | 141.76 | 98 | 50,388 | - |
| 25001 | Velva 1 | 435 | 1,271,061 | 1,397,896 | 126,836 | 10.0% | 1,236,691 | 6,738 | 148.96 | 391 | 21,233 | - |
| 25014 | Anamoose 14 | 102 | 321,662 | 337,432 | 15,770 | 4.9% | 368,185 | 9,284 | 178.81 | 76 | 27,040 | 9,229.93 |
| 25057 | Drake 57 | 169 | 432,194 | 490,623 | 58,429 | 13.5% | 621,506 | 8,847 | 161.54 | 126 | 30,607 | - |
| 25060 | TGU 60 | 395 | 962,232 | 1,093,300 | 131,068 | 13.6% | 1,847,665 | 8,625 | 153.81 | 341 | 35,228 | - |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 26004 | Zeeland 4 | 96 | 201,797 | 211,869 | 10,072 | 5.0% | 440,602 | 13,208 | 160.95 | 49 | 55,415 | 14,927.96 |
| 26009 | Ashley 9 | 187 | 544,140 | 585,879 | 41,739 | 7.7% | 629,197 | 8,710 | 153.21 | 140 | 29,439 | - |
| 26019 | Wishek 19 | 295 | 853,594 | 895,613 | 42,020 | 4.9% | 722,026 | 7,160 | 147.36 | 226 | 21,688 | - |
| 27001 | McKenzie Co 1 | 556 | 1,626,070 | 1,650,760 | 24,690 | 1.5% | 2,682,733 | 8,539 | 145.06 | 508 | 36,441 | - |
| 27002 | Alexander 2 | 85 | 132,395 | 140,597 | 8,202 | 6.2% | 502,492 | 16,600 | 142.04 | 39 | 91,318 | - |
| 27014 | Yellowstone 14 | 106 | 319,512 | 336,525 | 17,013 | 5.3% | 375,409 | 9,556 | 155.27 | 75 | 30,975 | 7,986.98 |
| 27018 | Earl | 19 | 811 | 847 | 37 | 4.5% | 34,223 | 2,923 | - | 12 | 179,575 | - |
| 27032 | Horse Creek 32 | 8 | 288 | 301 | 13 | 4.5% | 108,903 | 18,201 | 46.98 | 6 | 281,690 | - |
| 27036 | Mandaree 36 | 230 | 866,039 | 889,518 | 23,479 | 2.7% | 221,964 | 6,656 | 82.22 | 167 | 16,165 | - |
| 28001 | Montefiore 1 | 273 | 851,354 | 889,343 | 37,989 | 4.5% | 698,705 | 7,672 | 150.71 | 207 | 22,397 | - |
| 28004 | Washburn 4 | 358 | 1,055,150 | 1,105,417 | 50,266 | 4.8% | 957,760 | 7,139 | 139.87 | 289 | 23,694 | - |
| 28008 | Underwood 8 | 271 | 768,455 | 850,361 | 81,906 | 10.7% | 996,815 | 8,989 | 164.09 | 206 | 29,370 | - |
| 28050 | Max 50 | 187 | 587,562 | 621,420 | 33,858 | 5.8% | 631,618 | 9,047 | 171.39 | 139 | 26,608 | - |
| 28051 | Garrison 51 | 381 | 1,072,970 | 1,176,488 | 103,519 | 9.6% | 1,515,578 | 8,426 | 161.98 | 320 | 29,285 | - |
| 28072 | Turtle Lake-Mercer 72 | 210 | 609,173 | 622,511 | 13,338 | 2.2% | 888,005 | 9,656 | 154.38 | 156 | 36,769 | - |
| 28085 | White Shield 85 | 163 | 552,067 | 637,305 | 85,239 | 15.4% | 149,394 | 6,532 | 185.00 | 120 | 6,705 | - |
| 29003 | Hazen 3 | 665 | 2,257,749 | 2,380,321 | 122,572 | 5.4% | 2,006,628 | 7,215 | 185.00 | 608 | 17,840 | - |
| 29020 | Golden Valley 20 | 44 | 137,111 | 131,410 | (5,701) | -4.2% | 288,915 | 12,737 | 170.88 | 33 | 51,235 | 30,700.72 |
| 29027 | Beulah 27 | 732 | 2,466,849 | 2,482,842 | 15,993 | 0.6% | 2,827,535 | 7,896 | 185.65 | 673 | 22,648 | 9,007.34 |
| 30001 | Mandan 1 | 3,312 | 10,352,574 | 12,836,059 | 2,483,485 | 24.0% | 9,092,100 | 7,187 | 185.00 | 3,051 | 16,108 | - |
| 30004 | Little Heart 4 | 21 | 58,540 | 61,174 | 2,634 | 4.5% | 109,999 | 11,043 | 130.04 | 16 | 54,573 | - |
| 30007 | New Salem 7 | 368 | 1,148,339 | 1,196,903 | 48,564 | 4.2% | 787,808 | 6,361 | 149.15 | 312 | 16,929 | - |
| 30008 | Sims 8 | 25 | 43,884 | 45,859 | 1,975 | 4.5% | 181,996 | 11,992 | 118.51 | 19 | 80,826 | - |
| 30013 | Hebron 13 | 213 | 598,274 | 656,588 | 58,315 | 9.7% | 704,634 | 8,713 | 166.40 | 156 | 27,107 | - |
| 30017 | Sweet Briar 17 | 11 | 27,378 | 28,610 | 1,232 | 4.5% | 27,106 | 6,965 | 70.99 | 8 | 47,729 | - |
| 30039 | Flasher 39 | 286 | 871,772 | 1,105,986 | 234,214 | 26.9% | 601,050 | 7,807 | 181.55 | 219 | 15,141 | - |
| 30048 | Glen Ullin 48 | 220 | 721,449 | 736,058 | 14,609 | 2.0% | 769,385 | 9,180 | 162.42 | 164 | 28,884 | 10,390.55 |
| 31001 | New Town 1 | 785 | 2,578,984 | 3,191,413 | 612,429 | 23.7% | 891,763 | 5,735 | 163.90 | 712 | 7,642 | - |
| 31002 | Stanley 2 | 392 | 1,152,392 | 1,279,875 | 127,482 | 11.1% | 1,137,715 | 7,217 | 171.41 | 335 | 19,813 | - |
| 31003 | Parshall 3 | 331 | 930,213 | 1,047,712 | 117,498 | 12.6% | 655,468 | 6,601 | 156.49 | 258 | 16,235 | - |
| 32001 | Dakota Prairie 1 | 342 | 888,092 | 977,529 | 89,438 | 10.1% | 1,805,290 | 10,423 | 185.00 | 267 | 36,548 | - |
| 32066 | Lakota 66 | 277 | 847,110 | 918,336 | 71,227 | 8.4% | 898,902 | 8,737 | 185.00 | 208 | 23,360 | - |
| 33001 | Center-Stanton 1 | 334 | 1,044,715 | 1,141,044 | 96,330 | 9.2% | 1,283,265 | 9,389 | 174.98 | 258 | 28,403 | - |
| 34006 | Cavalier 6 | 468 | 1,509,169 | 1,552,520 | 43,351 | 2.9% | 1,696,548 | 7,718 | 185.00 | 421 | 21,785 | - |
| 34012 | Valley 12 | 203 | 574,013 | 630,461 | 56,448 | 9.8% | 827,118 | 9,621 | 184.97 | 152 | 29,282 | - |
| 34019 | Drayton 19 | 186 | 415,493 | 465,183 | 49,690 | 12.0% | 1,014,424 | 10,645 | 181.83 | 139 | 40,126 | - |
| 34043 | St Thomas 43 | 151 | 404,054 | 444,704 | 40,650 | 10.1% | 608,303 | 9,360 | 185.00 | 113 | 29,228 | - |
| 34100 | North Border 100 | 638 | 1,674,017 | 1,918,224 | 244,207 | 14.6% | 2,340,560 | 8,795 | 184.77 | 484 | 26,159 | - |
| 35001 | Wolford 1 | 71 | 199,956 | 197,802 | (2,154) | -1.1% | 326,033 | 12,274 | 191.95 | 43 | 39,797 | 27,154.16 |
| 35005 | Rugby 5 | 546 | 1,615,759 | 1,760,540 | 144,781 | 9.0% | 2,106,924 | 7,774 | 182.50 | 498 | 23,206 | - |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 36001 | Devils Lake 1 | 1,888 | 6,351,512 | 8,864,120 | 2,512,608 | 39.6% | 3,651,284 | 7,185 | 185.00 | 1,742 | 11,312 | - |
| 36002 | Edmore 2 | 106 | 161,664 | 164,780 | 3,116 | 1.9% | 700,711 | 10,956 | 143.00 | 79 | 62,026 | - |
| 36044 | Starkweather 44 | 140 | 366,718 | 401,262 | 34,544 | 9.4% | 498,139 | 10,644 | 168.62 | 85 | 34,961 | - |
| 37002 | Sheldon 2 | 28 | 81,589 | 87,350 | 5,761 | 7.1% | 259,806 | 16,531 | 177.36 | 21 | 69,755 | - |
| 37006 | Ft Ransom 6 | 27 | 69,054 | 70,921 | 1,867 | 2.7% | 136,357 | 10,554 | 139.97 | 20 | 49,602 | - |
| 37019 | Lisbon 19 | 684 | 2,111,381 | 2,677,677 | 566,295 | 26.8% | 1,840,735 | 7,201 | 185.00 | 628 | 15,856 | - |
| 37022 | Enderlin 22 | 362 | 1,053,864 | 1,177,436 | 123,572 | 11.7% | 1,313,483 | 8,465 | 181.78 | 294 | 24,519 | - |
| 38001 | Mohall-Lansford-Sherw | 412 | 1,146,028 | 1,207,660 | 61,632 | 5.4% | 1,827,074 | 9,801 | 147.42 | 310 | 40,026 | - |
| 38026 | Glenburn 26 | 331 | 1,066,205 | 1,126,313 | 60,109 | 5.6% | 677,538 | 6,997 | 147.71 | 258 | 17,793 | - |
| 39008 | Hankinson 8 | 365 | 1,004,805 | 1,111,639 | 106,834 | 10.6% | 1,117,001 | 7,466 | 170.00 | 299 | 22,012 | - |
| 39018 | Fairmount 18 | 163 | 376,914 | 432,764 | 55,850 | 14.8% | 795,349 | 10,067 | 188.08 | 122 | 34,662 | - |
| 39028 | Lidgerwood 28 | 247 | 750,190 | 819,696 | 69,506 | 9.3% | 736,103 | 8,387 | 185.00 | 186 | 21,450 | - |
| 39037 | Wahpeton 37 | 1,376 | 4,338,057 | 5,069,824 | 731,767 | 16.9% | 4,006,151 | 7,215 | 185.00 | 1,258 | 17,213 | - |
| 39042 | Wyndmere 42 | 307 | 827,927 | 919,932 | 92,004 | 11.1% | 1,070,939 | 8,450 | 152.23 | 236 | 29,860 | - |
| 39044 | Richland 44 | 371 | 1,096,305 | 1,219,081 | 122,776 | 11.2% | 1,110,515 | 7,605 | 185.00 | 306 | 19,596 | - |
| 40001 | Dunseith 1 | 629 | 2,148,191 | 2,525,326 | 377,135 | 17.6% | 210,000 | 4,799 | 136.53 | 570 | 2,698 | - |
| 40003 | St John 3 | 371 | 1,252,699 | 1,469,952 | 217,253 | 17.3% | 118,497 | 5,141 | 144.37 | 309 | 2,656 | - |
| 40004 | Mt Pleasant 4 | 318 | 1,044,520 | 1,102,373 | 57,854 | 5.5% | 802,013 | 7,741 | 180.07 | 246 | 18,091 | - |
| 40007 | Belcourt 7 | 1,764 | 6,373,706 | 7,078,065 | 704,359 | 11.1% | - | 4,405 | - | 1,607 | 230 | - |
| 40029 | Rolette 29 | 221 | 690,917 | 738,539 | 47,622 | 6.9% | 579,106 | 8,086 | 185.00 | 163 | 19,209 | - |
| 41002 | Milnor 2 | 360 | 1,069,188 | 1,502,185 | 432,997 | 40.5% | 681,123 | 7,452 | 175.84 | 293 | 13,216 | - |
| 41003 | N Sargent 3 | 301 | 903,429 | 1,205,575 | 302,146 | 33.4% | 571,712 | 7,838 | 177.98 | 227 | 14,161 | - |
| 41006 | Sargent Central 6 | 345 | 877,646 | 986,594 | 108,947 | 12.4% | 1,428,234 | 8,944 | 184.73 | 270 | 28,635 | - |
| 42016 | Goodrich 16 | 54 | 136,931 | 139,633 | 2,702 | 2.0% | 327,015 | 11,666 | 185.00 | 40 | 44,187 | 22,297.99 |
| 42019 | McClusky 19 | 131 | 351,192 | 389,344 | 38,152 | 10.9% | 493,567 | 9,056 | 174.73 | 98 | 28,972 | - |
| 43003 | Solen 3 | 221 | 775,129 | 876,289 | 101,160 | 13.1% | 46,307 | 5,591 | 185.00 | 165 | 1,517 | - |
| 43004 | Ft Yates 4 | 210 | 985,777 | 962,789 | (22,988) | -2.3% | 89,335 | 7,569 | 185.00 | 139 | 3,474 | 47,987.97 |
| 43008 | Selfridge 8 | 79 | 74,759 | 73,784 | (975) | -1.3% | 244,283 | 6,914 | 183.10 | 46 | 29,003 | 25,974.65 |
| 44012 | Marmarth 12 | 15 | 802 | 838 | 36 | 4.5% | 130,866 | 13,170 | 30.62 | 10 | 283,421 | - |
| 44032 | Central Elementary 32 | 7 | 200 | 209 | 9 | 4.5% | 118,492 | 21,582 | 28.96 | 6 | 554,397 | - |
| 45001 | Dickinson 1 | 2,702 | 8,731,449 | 10,636,541 | 1,905,092 | 21.8% | 7,247,356 | 7,190 | 185.00 | 2,488 | 15,749 | - |
| 45009 | South Heart 9 | 292 | 961,686 | 988,573 | 26,887 | 2.8% | 589,908 | 7,038 | 146.00 | 224 | 18,015 | - |
| 45013 | Belfield 13 | 265 | 898,490 | 1,115,471 | 216,981 | 24.1% | 476,435 | 8,020 | 185.00 | 199 | 12,974 | - |
| 45034 | Richardton-Taylor 34 | 320 | 999,441 | 1,063,683 | 64,242 | 6.4% | 938,258 | 8,155 | 185.00 | 246 | 20,659 | - |
| 46010 | Hope 10 | 164 | 420,278 | 478,478 | 58,200 | 13.8% | 665,994 | 9,381 | 176.09 | 122 | 31,001 | - |
| 46019 | Finley-Sharon 19 | 219 | 616,777 | 668,339 | 51,562 | 8.4% | 836,771 | 9,234 | 185.00 | 163 | 27,749 | - |
| 47001 | Jamestown 1 | 2,379 | 7,782,988 | 9,220,100 | 1,437,112 | 18.5% | 6,512,612 | 7,207 | 185.00 | 2,183 | 16,098 | - |
| 47003 | Medina 3 | 205 | 597,697 | 660,792 | 63,096 | 10.6% | 678,460 | 8,753 | 169.06 | 153 | 26,230 | - |
| 47010 | Pingree-Buchanan | 201 | 601,482 | 660,531 | 59,049 | 9.8% | 553,896 | 8,096 | 165.92 | 150 | 22,256 | - |
| 47014 | Montpelier 14 | 141 | 411,918 | 443,150 | 31,232 | 7.6% | 499,182 | 9,004 | 185.00 | 105 | 25,781 | - |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 47019 | Kensal 19 | 81 | 155,845 | 163,400 | 7,555 | 4.8% | 451,090 | 12,802 | 170.00 | 48 | 55,281 | 17,445.23 |
| 47026 | Spiritwood 26 | 13 | 751 | 784 | 34 | 4.5% | 438,847 | 43,963 | 140.09 | 10 | 313,261 | - |
| 48002 | Bisbee-Egeland 2 | 74 | 170,515 | 175,058 | 4,543 | 2.7% | 639,996 | 14,819 | 176.79 | 55 | 65,820 | 20,456.89 |
| 48008 | Southern 8 | 262 | 816,397 | 870,452 | 54,055 | 6.6% | 640,852 | 7,711 | 164.12 | 196 | 19,916 | - |
| 48028 | North Central 28 | 96 | 241,616 | 236,214 | (5,401) | -2.2% | 743,016 | 16,883 | 153.82 | 58 | 83,283 | - |
| 49003 | Central Valley 3 | 327 | 904,047 | 991,186 | 87,139 | 9.6% | 1,036,027 | 7,981 | 153.64 | 254 | 26,548 | - |
| 49007 | Hatton 7 | 276 | 857,568 | 920,818 | 63,250 | 7.4% | 815,098 | 8,354 | 203.50 | 208 | 19,275 | - |
| 49009 | Hillsboro 9 | 457 | 1,256,147 | 1,410,247 | 154,100 | 12.3% | 1,820,020 | 7,976 | 178.64 | 405 | 25,156 | - |
| 49014 | May-Port CG 14 | 595 | 1,705,596 | 1,898,047 | 192,450 | 11.3% | 2,162,222 | 7,485 | 185.00 | 542 | 21,545 | - |
| 50003 | Grafton 3 | 1,030 | 3,257,871 | 4,733,265 | 1,475,395 | 45.3% | 1,905,065 | 7,384 | 184.96 | 899 | 11,457 | - |
| 50005 | Fordville-Lankin 5 | 123 | 366,556 | 395,209 | 28,653 | 7.8% | 477,526 | 9,486 | 155.35 | 92 | 33,412 | - |
| 50020 | Minto 20 | 301 | 868,354 | 1,022,650 | 154,297 | 17.8% | 767,875 | 7,718 | 181.89 | 232 | 18,193 | - |
| 50051 | Nash 51 | 24 | 51,003 | 54,211 | 3,208 | 6.3% | 166,003 | 12,372 | 176.85 | 18 | 52,734 | - |
| 50078 | Park River 78 | 457 | 1,413,319 | 1,884,530 | 471,211 | 33.3% | 1,108,481 | 7,266 | 185.00 | 412 | 14,541 | - |
| 50106 | Edinburg 106 | 159 | 495,844 | 568,475 | 72,631 | 14.6% | 372,592 | 7,962 | 182.25 | 118 | 17,296 | - |
| 50128 | Adams 128 | 89 | 273,567 | 308,938 | 35,370 | 12.9% | 346,992 | 9,790 | 167.26 | 67 | 30,964 | - |
| 51001 | Minot 1 | 6,737 | 20,811,879 | 22,362,942 | 1,551,063 | 7.5% | 28,538,197 | 8,238 | 185.00 | 6,179 | 22,177 | - |
| 51004 | Nedrose 4 | 230 | 681,492 | 761,936 | 80,444 | 11.8% | 495,917 | 5,847 | 82.45 | 215 | 27,932 | - |
| 51007 | United 7 | 611 | 1,949,567 | 2,471,544 | 521,977 | 26.8% | 1,449,591 | 7,071 | 179.79 | 555 | 14,540 | - |
| 51010 | Bell 10 | 182 | 555,255 | 605,021 | 49,766 | 9.0% | 300,511 | 6,202 | 97.54 | 146 | 21,082 | - |
| 51016 | Sawyer 16 | 172 | 511,395 | 566,639 | 55,245 | 10.8% | 519,405 | 8,511 | 185.00 | 128 | 22,003 | - |
| 51019 | Eureka 19 | 13 | 18,240 | 19,060 | 821 | 4.5% | 55,749 | 7,481 | 53.14 | 10 | 104,875 | - |
| 51028 | Kenmare 28 | 352 | 928,654 | 1,048,679 | 120,025 | 12.9% | 1,350,206 | 8,574 | 183.18 | 280 | 26,344 | - |
| 51041 | Surrey 41 | 380 | 1,288,555 | 1,555,690 | 267,134 | 20.7% | 589,353 | 6,651 | 156.94 | 323 | 11,644 | - |
| 51070 | S Prairie 70 | 167 | 499,160 | 514,076 | 14,916 | 3.0% | 550,652 | 8,065 | 118.13 | 132 | 35,298 | 10,084.38 |
| 51161 | Lewis and Clark 161 | 473 | 1,250,218 | 1,377,273 | 127,055 | 10.2% | 1,589,828 | 8,288 | 159.62 | 358 | 27,821 | - |
| 52025 | Fessenden-Bowdon 25 | 238 | 551,467 | 548,626 | (2,841) | -0.5% | 1,089,982 | 9,258 | 135.10 | 177 | 45,582 | - |
| 52035 | Pleasant Valley 3 | 19 | 35,857 | 34,974 | (883) | -2.5% | 185,004 | 16,295 | 163.89 | 14 | 83,617 | - |
| 52038 | Harvey 38 | 443 | 1,363,853 | 1,445,544 | 81,691 | 6.0% | 1,670,453 | 7,717 | 175.34 | 404 | 23,596 | - |
| 53001 | Williston 1 | 2,259 | 7,822,472 | 10,350,722 | 2,528,249 | 32.3% | 5,854,227 | 7,853 | 238.41 | 2,064 | 11,900 | - |
| 53002 | Nesson 2 | 207 | 600,897 | 665,981 | 65,084 | 10.8% | 790,873 | 9,438 | 185.00 | 154 | 27,695 | - |
| 53006 | Eight Mile 6 | 285 | 1,016,855 | 1,126,191 | 109,335 | 10.8% | 462,769 | 7,370 | 162.42 | 216 | 13,215 | - |
| 53008 | New 8 | 239 | 498,637 | 513,039 | 14,402 | 2.9% | 1,159,860 | 8,828 | 131.99 | 190 | 45,422 | 10,597.57 |
| 53015 | Tioga 15 | 292 | 867,776 | 954,847 | 87,071 | 10.0% | 1,274,781 | 9,998 | 178.33 | 223 | 32,056 | - |
| 53099 | Grenora 99 | 100 | 227,004 | 237,219 | 10,215 | 4.5% | 727,950 | 16,499 | 185.00 | 59 | 67,263 | 14,785.28 |
| | Statewide | 107,028 | 319,243,991 | 365,888,700 | 46,644,709 | 14.6% | 383,484,248 | 8,037 | 193.01 | 93,241 | 21,477 | 544,672.14 |
| | Count <> 0 | | | | | | | | | | | |

(A)

100% Imputed
year 1 343,445
year 2 372,597

| | Year 1 | Year 2 | Biennium |
|---|---|---|---|
| Appropriation | 353,888,700 | 353,888,700 | |
| Percentage | 50.0% | 50.0% | |
| 2nd Year Increase (Section 11) | | 7,000,000 | 2.0% |
| 2nd Year Full Day Kg | | 5,000,000 | 1.4% |
| Total Formula Funding | 353,888,700 | 365,888,700 | 719,777,400 |
| Per Student Rates | $3,203.51 | $3,319.55 | 116 |
| Projection | 353,888,700 | 365,888,700 | 719,777,400 |

| Equalization Factors | | | Add-on |
|---|---|---|---|
| EFB deduct | 50% | 45% | 20,000 |
| High Valuation Percent | 150% | 150% | |
| High Valuation Factor | 75% | 75% | |
| Minimum Levy | 150 | 155 | |
| Target Valuation Factor | 90% | 90% | |
| Minimum Valuation Factor | 50% | 50% | |
| Minimum Valuation Adjustment | 20% | 20% | |
| Tuition and County Revenue Inclusion | 100% | 100% | |

| State Average Factors | | |
|---|---|---|
| State Avg Taxable Valuation Per Student | 18,980.35 | 18,980.35 |
| State Avg Imputed Valuation Per Student | 21,477.49 | 21,524.66 |
| Target Valuation Per Student | 19,329.74 | 19,372.19 |

| Transition Adjustments | | |
|---|---|---|
| Transition Minimum | 2.5% | 4.5% |
| Transition Maximum | 7.0% | 12.0% |

Includes AFB tuition amendments
Includes 2.5% /4.5% minimum guarantee
100% of Tuition and County revenue imputed

# $25,000 Miniumum Guaranttee

Eligibility:

>= 160 General Fund operating levy
>= 30 students in ADM
Receiving state aid



RM 4/19/07

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 378 | 1,098,833 | 1,175,752 | 76,919 | 7.0% | 1,152,466 | 7,253 | 165.85 | 321 | 21,605 | - |
| 2002 | Valley City 2 | 1,161 | 3,679,985 | 4,413,967 | 733,983 | 19.9% | 3,140,246 | 7,044 | 185.00 | 1,073 | 15,824 | - |
| 2046 | Litchville-Marion 46 | 218 | 545,525 | 559,164 | 13,639 | 2.5% | 1,029,571 | 9,777 | 150.48 | 163 | 42,104 | - |
| 2065 | N Central 65 | 193 | 429,984 | 440,734 | 10,750 | 2.5% | 1,034,215 | 10,207 | 158.16 | 145 | 45,253 | - |
| 2082 | Wimbledon-Courtenay 8 | 198 | 450,062 | 461,314 | 11,251 | 2.5% | 993,137 | 9,894 | 165.13 | 147 | 40,913 | 13,749 |
| 3005 | Minnewaukan 5 | 278 | 849,572 | 1,171,051 | 321,479 | 37.8% | 264,993 | 6,871 | 166.43 | 209 | 7,618 | - |
| 3006 | Leeds 6 | 215 | 609,274 | 651,924 | 42,650 | 7.0% | 758,238 | 8,786 | 158.39 | 161 | 29,827 | - |
| 3009 | Maddock 9 | 239 | 740,076 | 767,047 | 26,972 | 3.6% | 764,284 | 8,579 | 176.75 | 179 | 24,225 | - |
| 3016 | Oberon 16 | 49 | 143,003 | 153,013 | 10,010 | 7.0% | 117,656 | 7,416 | 112.56 | 37 | 28,638 | - |
| 3029 | Warwick 29 | 243 | 886,227 | 960,422 | 74,195 | 8.4% | 183,001 | 6,283 | 149.16 | 182 | 6,741 | - |
| 3030 | Ft Totten 30 | 254 | 868,321 | 960,902 | 92,581 | 10.7% | 22,229 | 5,343 | 185.00 | 184 | 653 | - |
| 4001 | Billings Co 1 | 61 | 2,419 | 2,480 | 61 | 2.5% | 1,008,758 | 22,225 | - | 46 | 764,740 | - |
| 5001 | Bottineau 1 | 729 | 2,274,397 | 2,331,255 | 56,858 | 2.5% | 2,291,028 | 6,998 | 145.53 | 661 | 23,834 | - |
| 5017 | Westhope 17 | 183 | 465,755 | 498,359 | 32,604 | 7.0% | 687,866 | 9,021 | 164.68 | 132 | 31,764 | - |
| 5054 | Newburg-United 54 | 116 | 181,774 | 186,319 | 4,545 | 2.5% | 853,654 | 14,648 | 159.31 | 71 | 75,450 | - |
| 6001 | Bowman County 1 | 492 | 1,474,200 | 1,511,052 | 36,853 | 2.5% | 2,543,905 | 9,598 | 151.83 | 423 | 39,657 | - |
| 6033 | Scranton 33 | 212 | 579,011 | 593,486 | 14,475 | 2.5% | 919,298 | 9,575 | 139.17 | 158 | 41,807 | - |
| 7014 | Bowbells 14 | 91 | 223,019 | 228,595 | 5,576 | 2.5% | 569,416 | 11,735 | 156.48 | 68 | 53,513 | - |
| 7027 | Powers Lake 27 | 154 | 440,569 | 471,409 | 30,839 | 7.0% | 522,587 | 8,606 | 182.75 | 116 | 24,758 | - |
| 7036 | Burke Central 36 | 111 | 252,431 | 258,742 | 6,311 | 2.5% | 716,179 | 11,889 | 169.20 | 82 | 51,619 | 18,689 |
| 8001 | Bismarck 1 | 11,374 | 34,301,925 | 38,860,997 | 4,559,071 | 13.3% | 42,944,172 | 7,887 | 229.17 | 10,372 | 18,067 | - |
| 8025 | Naughton 25 | 4 | 38,489 | 39,451 | 962 | 2.5% | 53,347 | 30,933 | 167.64 | 3 | 106,075 | - |
| 8028 | Wing 28 | 120 | 333,472 | 356,816 | 23,344 | 7.0% | 351,448 | 7,914 | 141.13 | 90 | 27,824 | - |
| 8029 | Baldwin 29 | 23 | 60,486 | 61,998 | 1,512 | 2.5% | 126,979 | 10,799 | 136.24 | 18 | 52,162 | - |
| 8033 | Menoken 33 | 16 | 20,977 | 21,501 | 524 | 2.5% | 212,139 | 19,470 | 166.26 | 12 | 106,329 | - |
| 8035 | Sterling 35 | 45 | 82,077 | 84,129 | 2,052 | 2.5% | 354,499 | 13,093 | 166.69 | 34 | 63,470 | 22,948 |
| 8039 | Apple Creek 39 | 67 | 188,595 | 193,309 | 4,715 | 2.5% | 212,550 | 8,117 | 89.27 | 50 | 46,522 | - |
| 8045 | Manning 45 | 6 | 22,914 | 23,487 | 573 | 2.5% | 55,426 | 17,536 | 219.94 | 5 | 56,001 | - |
| 9001 | Fargo 1 | 11,291 | 32,106,643 | 34,354,103 | 2,247,460 | 7.0% | 62,202,912 | 9,342 | 278.62 | 10,336 | 21,600 | - |
| 9002 | Kindred 2 | 716 | 2,066,427 | 2,211,075 | 144,649 | 7.0% | 2,243,324 | 6,713 | 169.89 | 664 | 19,901 | - |
| 9004 | Maple Valley 4 | 342 | 862,907 | 923,311 | 60,404 | 7.0% | 1,648,894 | 10,127 | 175.81 | 254 | 36,925 | - |
| 9006 | West Fargo 6 | 6,289 | 17,249,837 | 18,457,358 | 1,207,521 | 7.0% | 23,911,685 | 7,367 | 185.00 | 5,751 | 22,469 | - |
| 9007 | Mapleton 7 | 82 | 265,292 | 271,925 | 6,632 | 2.5% | 475,025 | 12,146 | 140.96 | 62 | 54,796 | - |
| 9017 | Central Cass 17 | 881 | 2,564,733 | 2,744,261 | 179,527 | 7.0% | 2,241,894 | 6,156 | 155.38 | 810 | 17,813 | - |
| 9080 | Page 80 | 127 | 333,952 | 342,301 | 8,348 | 2.5% | 644,206 | 10,439 | 166.76 | 95 | 40,879 | 16,652 |
| 9097 | Northern Cass | 536 | 1,435,497 | 1,535,984 | 100,487 | 7.0% | 1,971,257 | 7,158 | 170.54 | 490 | 23,590 | - |
| 10019 | Munich 19 | 169 | 362,702 | 388,092 | 25,390 | 7.0% | 646,207 | 10,042 | 148.37 | 103 | 42,285 | - |
| 10023 | Langdon Area 23 | 502 | 1,259,216 | 1,347,362 | 88,146 | 7.0% | 2,327,196 | 8,049 | 157.50 | 457 | 32,368 | - |

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 11040 | Ellendale 40 | 404 | 1,180,147 | 1,262,758 | 82,611 | 7.0% | 1,204,878 | 7,101 | 172.55 | 348 | 20,094 | - |
| 11041 | Oakes 41 | 561 | 1,609,625 | 1,734,296 | 124,671 | 7.7% | 1,809,238 | 6,914 | 183.93 | 513 | 19,190 | - |
| 12001 | Divide County 1 | 321 | 913,176 | 936,005 | 22,829 | 2.5% | 1,336,024 | 9,255 | 140.93 | 246 | 38,615 | - |
| 13008 | Dodge 8 | 19 | 69,873 | 71,620 | 1,747 | 2.5% | 151,185 | 15,915 | 185.00 | 14 | 58,373 | - |
| 13016 | Killdeer 16 | 407 | 1,163,769 | 1,245,231 | 81,462 | 7.0% | 1,579,452 | 7,968 | 158.78 | 355 | 28,060 | - |
| 13019 | Halliday 19 | 37 | 83,323 | 85,406 | 2,083 | 2.5% | 353,885 | 15,689 | 171.31 | 28 | 73,777 | - |
| 13037 | Twin Buttes 37 | 57 | 212,494 | 217,807 | 5,312 | 2.5% | 41,901 | 6,258 | - | 42 | 598 | - |
| 14002 | New Rockford-Sheyenn | 492 | 1,534,014 | 1,595,462 | 61,448 | 4.0% | 1,177,094 | 6,609 | 165.00 | 420 | 17,006 | - |
| 15006 | Hazelton-Moffit-Braddoc | 183 | 478,637 | 512,142 | 33,505 | 7.0% | 628,415 | 8,417 | 152.64 | 136 | 30,384 | - |
| 15010 | Bakker 10 | 5 | 192 | 197 | 5 | 2.5% | 115,721 | 28,980 | 101.81 | 4 | 284,160 | - |
| 15015 | Strasburg 15 | 212 | 640,122 | 656,124 | 16,002 | 2.5% | 497,811 | 7,327 | 142.50 | 158 | 22,180 | - |
| 15036 | Linton 36 | 376 | 1,133,780 | 1,230,823 | 97,043 | 8.6% | 941,644 | 6,864 | 171.03 | 317 | 17,396 | - |
| 16049 | Carrington 49 | 662 | 1,900,092 | 2,033,096 | 133,004 | 7.0% | 2,072,890 | 6,843 | 150.67 | 600 | 22,930 | - |
| 17003 | Beach 3 | 354 | 1,109,638 | 1,137,379 | 27,741 | 2.5% | 1,696,826 | 10,050 | 145.42 | 282 | 26,037 | - |
| 17006 | Lone Tree 6 | 44 | 121,740 | 124,783 | 3,043 | 2.5% | 203,482 | 10,258 | 106.68 | 32 | 52,526 | - |
| 18001 | Grand Forks 1 | 7,717 | 23,194,986 | 24,722,318 | 1,527,332 | 6.6% | 34,176,403 | 8,349 | 208.62 | 7,055 | 23,222 | - |
| 18044 | Larimore 44 | 539 | 1,668,670 | 1,911,332 | 242,662 | 14.5% | 1,490,789 | 6,929 | 180.31 | 491 | 16,839 | - |
| 18061 | Thompson 61 | 451 | 1,319,511 | 1,611,185 | 291,673 | 22.1% | 1,174,752 | 6,787 | 178.49 | 411 | 16,033 | - |
| 18125 | Manvel 125 | 209 | 668,903 | 685,625 | 16,723 | 2.5% | 196,446 | 6,278 | 49.61 | 141 | 28,184 | - |
| 18127 | Emerado 127 | 88 | 302,861 | 310,433 | 7,572 | 2.5% | 337,934 | 9,975 | 151.84 | 65 | 34,240 | - |
| 18128 | Midway 128 | 318 | 839,071 | 897,805 | 58,733 | 7.0% | 1,169,996 | 8,406 | 190.97 | 246 | 24,905 | - |
| 18129 | Northwood 129 | 360 | 1,051,886 | 1,125,517 | 73,631 | 7.0% | 1,098,947 | 7,644 | 185.00 | 291 | 20,413 | - |
| 19018 | Roosevelt 18 | 167 | 557,105 | 571,032 | 13,928 | 2.5% | 418,576 | 7,583 | 159.80 | 131 | 20,023 | - |
| 19049 | Elgin-New Leipzig 49 | 220 | 630,643 | 674,789 | 44,145 | 7.0% | 841,241 | 9,272 | 188.24 | 164 | 27,333 | - |
| 20007 | Midkota 7 | 159 | 416,239 | 426,644 | 10,406 | 2.5% | 1,081,194 | 12,778 | 185.00 | 118 | 49,528 | 14,594 |
| 20018 | Griggs County Central 1 | 361 | 1,054,484 | 1,128,298 | 73,814 | 7.0% | 1,209,756 | 8,062 | 190.00 | 290 | 21,956 | - |
| 21001 | Mott-Regent 1 | 309 | 819,844 | 877,233 | 57,389 | 7.0% | 1,055,721 | 8,139 | 144.25 | 238 | 30,816 | - |
| 21009 | New England 9 | 218 | 570,461 | 595,680 | 25,219 | 4.4% | 1,019,363 | 9,939 | 170.50 | 163 | 36,792 | - |
| 22011 | Pettibone-Tuttle 11 | 8 | 16,886 | 17,309 | 422 | 2.5% | 225,379 | 40,448 | 187.48 | 6 | 200,358 | - |
| 22014 | Robinson 14 | 25 | 52,930 | 54,253 | 1,323 | 2.5% | 203,575 | 39,666 | 163.92 | 7 | 191,064 | - |
| 22020 | Tuttle-Pettibone 20 | 31 | 76,804 | 78,725 | 1,920 | 2.5% | 376,162 | 19,778 | 171.40 | 23 | 95,419 | - |
| 22026 | Steele-Dawson 26 | 348 | 965,665 | 1,033,261 | 67,596 | 7.0% | 856,983 | 6,849 | 161.23 | 276 | 19,258 | - |
| 22028 | Tappen 28 | 115 | 363,583 | 372,673 | 9,089 | 2.5% | 352,457 | 8,432 | 195.00 | 86 | 21,017 | 15,911 |
| 23003 | Edgeley 3 | 285 | 813,708 | 870,666 | 56,958 | 7.0% | 961,975 | 8,524 | 156.20 | 215 | 28,645 | - |
| 23007 | Kulm 7 | 159 | 343,179 | 351,757 | 8,579 | 2.5% | 1,006,088 | 11,556 | 170.04 | 118 | 50,356 | 16,421 |
| 23008 | LaMoure 8 | 370 | 1,082,313 | 1,158,073 | 75,761 | 7.0% | 1,091,277 | 7,209 | 148.21 | 312 | 23,599 | - |
| 24002 | Napoleon 2 | 305 | 870,967 | 931,935 | 60,967 | 7.0% | 686,319 | 6,872 | 162.60 | 236 | 17,923 | - |
| 24056 | Gackle 14 | 134 | 291,942 | 299,241 | 7,299 | 2.5% | 700,021 | 9,993 | 141.76 | 100 | 49,381 | - |

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25001 | Velva 1 | 439 | 1,271,061 | 1,360,033 | 88,972 | 7.0% | 1,236,691 | 6,541 | 148.96 | 397 | 20,912 | - |
| 25014 | Anamoose 14 | 103 | 321,662 | 329,929 | 8,267 | 2.6% | 368,185 | 9,066 | 178.81 | 77 | 26,689 | 16,733 |
| 25057 | Drake 57 | 167 | 432,194 | 462,447 | 30,253 | 7.0% | 621,506 | 8,742 | 161.54 | 124 | 31,027 | - |
| 25060 | TGU 60 | 390 | 962,232 | 1,029,591 | 67,358 | 7.0% | 1,847,665 | 8,640 | 153.81 | 333 | 36,074 | - |
| 26004 | Zeeland 4 | 96 | 201,797 | 206,842 | 5,045 | 2.5% | 440,602 | 12,949 | 160.95 | 50 | 54,750 | 19,955 |
| 26009 | Ashley 9 | 190 | 544,140 | 582,228 | 38,089 | 7.0% | 629,197 | 8,561 | 153.21 | 142 | 29,023 | - |
| 26019 | Wishek 19 | 294 | 853,594 | 913,344 | 59,750 | 7.0% | 722,026 | 7,268 | 147.36 | 225 | 21,777 | - |
| 27001 | McKenzie Co 1 | 572 | 1,626,070 | 1,666,721 | 40,651 | 2.5% | 2,682,733 | 8,324 | 145.06 | 523 | 35,395 | - |
| 27002 | Alexander 2 | 83 | 132,395 | 135,706 | 3,310 | 2.5% | 502,492 | 17,019 | 142.04 | 38 | 94,338 | - |
| 27014 | Yellowstone 14 | 110 | 319,512 | 341,878 | 22,366 | 7.0% | 375,409 | 9,255 | 155.27 | 78 | 29,776 | - |
| 27018 | Earl | 19 | 811 | 831 | 20 | 2.5% | 34,223 | 2,921 | - | 12 | 179,575 | - |
| 27032 | Horse Creek 32 | 8 | 288 | 295 | 7 | 2.5% | 108,903 | 18,200 | 46.98 | 6 | 281,690 | - |
| 27036 | Mandaree 36 | 234 | 866,039 | 887,691 | 21,652 | 2.5% | 221,964 | 6,527 | 82.22 | 170 | 15,880 | - |
| 28001 | Montefiore 1 | 281 | 851,354 | 899,705 | 48,351 | 5.7% | 698,705 | 7,504 | 150.71 | 213 | 21,766 | - |
| 28004 | Washburn 4 | 362 | 1,055,150 | 1,105,837 | 50,686 | 4.8% | 957,760 | 6,925 | 139.87 | 298 | 22,978 | - |
| 28008 | Underwood 8 | 275 | 768,455 | 822,246 | 53,791 | 7.0% | 996,815 | 8,745 | 164.09 | 208 | 29,017 | - |
| 28050 | Max 50 | 193 | 587,562 | 616,803 | 29,241 | 5.0% | 631,618 | 8,761 | 171.39 | 143 | 25,862 | - |
| 28051 | Garrison 51 | 389 | 1,072,970 | 1,148,079 | 75,109 | 7.0% | 1,515,578 | 8,084 | 161.98 | 330 | 28,396 | - |
| 28072 | Turtle Lake-Mercer 72 | 215 | 609,173 | 624,402 | 15,229 | 2.5% | 888,005 | 9,453 | 154.38 | 160 | 35,950 | - |
| 28085 | White Shield 85 | 159 | 552,067 | 600,732 | 48,665 | 8.8% | 149,394 | 6,411 | 185.00 | 117 | 6,902 | - |
| 29003 | Hazen 3 | 692 | 2,257,749 | 2,474,032 | 216,282 | 9.6% | 2,006,628 | 7,078 | 185.00 | 633 | 17,135 | - |
| 29020 | Golden Valley 20 | 48 | 137,111 | 140,539 | 3,428 | 2.5% | 288,915 | 11,929 | 170.88 | 36 | 46,965 | 21,572 |
| 29027 | Beulah 27 | 760 | 2,466,849 | 2,528,520 | 61,671 | 2.5% | 2,827,535 | 7,668 | 185.65 | 699 | 21,805 | - |
| 30001 | Mandan 1 | 3,381 | 10,352,574 | 12,882,384 | 2,529,810 | 24.4% | 9,092,100 | 7,052 | 185.00 | 3,116 | 15,772 | - |
| 30004 | Little Heart 4 | 21 | 58,540 | 60,004 | 1,464 | 2.5% | 109,999 | 10,968 | 130.04 | 16 | 54,573 | - |
| 30007 | New Salem 7 | 375 | 1,148,339 | 1,198,302 | 49,963 | 4.4% | 787,808 | 6,226 | 149.15 | 319 | 16,558 | - |
| 30008 | Sims 8 | 25 | 43,884 | 44,981 | 1,097 | 2.5% | 181,996 | 11,946 | 118.51 | 19 | 80,826 | - |
| 30013 | Hebron 13 | 217 | 598,274 | 640,152 | 41,879 | 7.0% | 704,634 | 8,431 | 166.40 | 160 | 26,549 | - |
| 30017 | Sweet Briar 17 | 11 | 27,378 | 28,062 | 684 | 2.5% | 27,106 | 6,896 | 70.99 | 8 | 47,729 | - |
| 30039 | Flasher 39 | 283 | 871,772 | 1,046,524 | 174,752 | 20.0% | 601,050 | 7,681 | 181.55 | 215 | 15,434 | - |
| 30048 | Glen Ullin 48 | 225 | 721,449 | 739,484 | 18,035 | 2.5% | 769,385 | 8,981 | 162.42 | 168 | 28,196 | 6,965 |
| 31001 | New Town 1 | 768 | 2,578,984 | 3,045,102 | 466,118 | 18.1% | 891,763 | 5,656 | 163.90 | 696 | 7,817 | - |
| 31002 | Stanley 2 | 395 | 1,152,392 | 1,233,059 | 80,666 | 7.0% | 1,137,715 | 6,952 | 171.41 | 341 | 19,464 | - |
| 31003 | Parshall 3 | 336 | 930,213 | 1,032,701 | 102,488 | 11.0% | 655,468 | 6,395 | 156.49 | 264 | 15,866 | - |
| 32001 | Dakota Prairie 1 | 341 | 888,092 | 930,965 | 42,873 | 4.8% | 1,805,290 | 10,267 | 185.00 | 267 | 36,617 | - |
| 32066 | Lakota 66 | 286 | 847,110 | 906,408 | 59,299 | 7.0% | 898,902 | 8,397 | 185.00 | 215 | 22,600 | - |
| 33001 | Center-Stanton 1 | 319 | 1,044,715 | 1,070,834 | 26,119 | 2.5% | 1,283,265 | 9,531 | 174.98 | 247 | 29,691 | - |
| 34006 | Cavalier 6 | 479 | 1,509,169 | 1,546,899 | 37,730 | 2.5% | 1,696,548 | 7,517 | 185.00 | 432 | 21,253 | - |

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 34012 | Valley 12 | 207 | 574,013 | 614,195 | 40,182 | 7.0% | 827,118 | 9,329 | 184.97 | 155 | 28,714 | - |
| 34019 | Drayton 19 | 181 | 415,493 | 425,879 | 10,387 | 2.5% | 1,014,424 | 10,630 | 181.83 | 136 | 41,163 | 14,613 |
| 34043 | St Thomas 43 | 154 | 404,054 | 432,338 | 28,284 | 7.0% | 608,303 | 9,089 | 185.00 | 115 | 28,717 | - |
| 34100 | North Border 100 | 623 | 1,674,017 | 1,791,197 | 117,180 | 7.0% | 2,340,560 | 8,735 | 184.77 | 473 | 26,781 | - |
| 35001 | Wolford 1 | 76 | 199,956 | 207,376 | 7,420 | 3.7% | 326,033 | 11,854 | 191.95 | 45 | 37,745 | 17,580 |
| 35005 | Rugby 5 | 562 | 1,615,759 | 1,728,860 | 113,101 | 7.0% | 2,106,924 | 7,499 | 182.50 | 512 | 22,570 | - |
| 36001 | Devils Lake 1 | 1,848 | 6,351,512 | 8,369,101 | 2,017,589 | 31.8% | 3,651,284 | 7,052 | 185.00 | 1,705 | 11,561 | - |
| 36002 | Edmore 2 | 108 | 161,664 | 165,706 | 4,042 | 2.5% | 700,711 | 10,696 | 143.00 | 81 | 60,495 | - |
| 36044 | Starkweather 44 | 143 | 366,718 | 392,389 | 25,671 | 7.0% | 498,139 | 10,295 | 168.62 | 87 | 34,153 | - |
| 37002 | Sheldon 2 | 27 | 81,589 | 83,629 | 2,040 | 2.5% | 259,806 | 16,753 | 177.36 | 21 | 71,456 | - |
| 37006 | Ft Ransom 6 | 28 | 69,054 | 70,780 | 1,726 | 2.5% | 136,357 | 10,357 | 139.97 | 20 | 48,709 | - |
| 37019 | Lisbon 19 | 696 | 2,111,381 | 2,670,740 | 559,359 | 26.5% | 1,840,735 | 7,066 | 185.00 | 639 | 15,583 | - |
| 37022 | Enderlin 22 | 363 | 1,053,864 | 1,127,635 | 73,771 | 7.0% | 1,313,483 | 8,261 | 181.78 | 296 | 24,415 | - |
| 38001 | Mohall-Lansford-Sherwo | 408 | 1,146,028 | 1,174,676 | 28,649 | 2.5% | 1,827,074 | 9,778 | 147.42 | 307 | 40,370 | - |
| 38026 | Glenburn 26 | 328 | 1,066,205 | 1,092,858 | 26,654 | 2.5% | 677,538 | 6,943 | 147.71 | 255 | 17,988 | - |
| 39008 | Hankinson 8 | 369 | 1,004,805 | 1,075,143 | 70,337 | 7.0% | 1,117,001 | 7,152 | 170.00 | 307 | 21,437 | - |
| 39018 | Fairmount 18 | 159 | 376,914 | 403,298 | 26,384 | 7.0% | 795,349 | 10,073 | 188.08 | 119 | 35,536 | - |
| 39028 | Lidgerwood 28 | 252 | 750,190 | 802,703 | 52,513 | 7.0% | 736,103 | 8,078 | 185.00 | 191 | 20,887 | - |
| 39037 | Wahpeton 37 | 1,411 | 4,338,057 | 5,131,087 | 793,030 | 18.3% | 4,006,151 | 7,078 | 185.00 | 1,291 | 16,773 | - |
| 39042 | Wyndmere 42 | 309 | 827,927 | 885,881 | 57,953 | 7.0% | 1,070,939 | 8,239 | 152.23 | 238 | 29,621 | - |
| 39044 | Richland 44 | 373 | 1,096,305 | 1,173,047 | 76,742 | 7.0% | 1,110,515 | 7,366 | 185.00 | 310 | 19,364 | - |
| 40001 | Dunseith 1 | 606 | 2,148,191 | 2,369,146 | 220,955 | 10.3% | 210,000 | 4,698 | 136.53 | 549 | 2,802 | - |
| 40003 | St John 3 | 367 | 1,252,699 | 1,407,614 | 154,915 | 12.4% | 118,497 | 5,096 | 144.37 | 300 | 2,741 | - |
| 40004 | Mt Pleasant 4 | 322 | 1,044,520 | 1,089,895 | 45,376 | 4.3% | 802,013 | 7,568 | 180.07 | 250 | 17,801 | - |
| 40007 | Belcourt 7 | 1,718 | 6,373,706 | 6,691,265 | 317,560 | 5.0% | - | 4,278 | - | 1,564 | 236 | - |
| 40029 | Rolette 29 | 222 | 690,917 | 719,786 | 28,868 | 4.2% | 579,106 | 7,920 | 185.00 | 164 | 19,087 | - |
| 41002 | Milnor 2 | 353 | 1,069,188 | 1,400,139 | 330,952 | 31.0% | 681,123 | 7,367 | 175.84 | 283 | 13,707 | - |
| 41003 | N Sargent 3 | 291 | 903,429 | 1,113,152 | 209,723 | 23.2% | 571,712 | 7,676 | 177.98 | 220 | 14,629 | - |
| 41006 | Sargent Central 6 | 344 | 877,646 | 939,080 | 61,434 | 7.0% | 1,428,234 | 8,800 | 184.73 | 269 | 28,742 | - |
| 42016 | Goodrich 16 | 55 | 136,931 | 140,354 | 3,423 | 2.5% | 327,015 | 11,399 | 185.00 | 41 | 43,110 | 21,577 |
| 42019 | McClusky 19 | 132 | 351,192 | 375,776 | 24,584 | 7.0% | 493,567 | 8,826 | 174.73 | 99 | 28,678 | 416 |
| 43003 | Solen 3 | 204 | 775,129 | 794,508 | 19,379 | 2.5% | 46,307 | 5,514 | 185.00 | 153 | 1,641 | 5,621 |
| 43004 | Ft Yates 4 | 225 | 985,777 | 1,010,422 | 24,645 | 2.5% | 89,335 | 7,332 | 185.00 | 150 | 3,219 | 355 |
| 43008 | Selfridge 8 | 83 | 74,759 | 79,992 | 5,233 | 7.0% | 244,283 | 7,206 | 183.10 | 45 | 29,648 | 19,767 |
| 44012 | Marmarth 12 | 15 | 802 | 822 | 20 | 2.5% | 130,866 | 13,169 | 30.62 | 10 | 283,421 | - |
| 44032 | Central Elementary 32 | 7 | 200 | 205 | 5 | 2.5% | 118,492 | 21,581 | 28.96 | 6 | 554,397 | - |
| 45001 | Dickinson 1 | 2,763 | 8,731,449 | 10,702,138 | 1,970,688 | 22.6% | 7,247,356 | 7,054 | 185.00 | 2,545 | 15,396 | - |
| 45009 | South Heart 9 | 297 | 961,686 | 985,728 | 24,041 | 2.5% | 589,908 | 6,911 | 146.00 | 228 | 17,721 | - |

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 45013 | Belfield 13 | 270 | 898,490 | 1,115,171 | 216,681 | 24.1% | 476,435 | 7,821 | 185.00 | 204 | 12,655 | - |
| 45034 | Richardton-Taylor 34 | 326 | 999,441 | 1,044,727 | 45,286 | 4.5% | 938,258 | 7,885 | 185.00 | 252 | 20,166 | - |
| 46010 | Hope 10 | 161 | 420,278 | 449,698 | 29,420 | 7.0% | 665,994 | 9,297 | 176.09 | 120 | 31,518 | - |
| 46019 | Finley-Sharon 19 | 226 | 616,777 | 659,950 | 43,173 | 7.0% | 836,771 | 8,883 | 185.00 | 169 | 26,843 | - |
| 47001 | Jamestown 1 | 2,401 | 7,782,988 | 9,070,232 | 1,287,244 | 16.5% | 6,512,612 | 7,072 | 185.00 | 2,204 | 15,948 | - |
| 47003 | Medina 3 | 208 | 597,697 | 639,535 | 41,839 | 7.0% | 678,460 | 8,503 | 169.06 | 155 | 25,891 | - |
| 47010 | Pingree-Buchanan | 205 | 601,482 | 643,585 | 42,103 | 7.0% | 553,896 | 7,827 | 165.92 | 153 | 21,819 | - |
| 47014 | Montpelier 14 | 147 | 411,918 | 440,752 | 28,834 | 7.0% | 499,182 | 8,623 | 185.00 | 109 | 24,755 | - |
| 47019 | Kensal 19 | 81 | 155,845 | 159,741 | 3,896 | 2.5% | 451,090 | 12,594 | 170.00 | 49 | 54,711 | 21,104 |
| 47026 | Spiritwood 26 | 13 | 751 | 769 | 19 | 2.5% | 438,847 | 43,962 | 140.09 | 10 | 313,261 | - |
| 48002 | Bisbee-Egeland 2 | 75 | 170,515 | 174,777 | 4,263 | 2.5% | 639,996 | 14,550 | 176.79 | 56 | 64,644 | 20,737 |
| 48008 | Southern 8 | 267 | 816,397 | 854,888 | 38,490 | 4.7% | 640,852 | 7,497 | 164.12 | 200 | 19,567 | - |
| 48028 | North Central 28 | 102 | 241,616 | 247,656 | 6,040 | 2.5% | 743,016 | 15,979 | 153.82 | 62 | 77,910 | - |
| 49003 | Central Valley 3 | 334 | 904,047 | 967,331 | 63,284 | 7.0% | 1,036,027 | 7,720 | 153.64 | 260 | 25,985 | - |
| 49007 | Hatton 7 | 286 | 857,568 | 946,595 | 89,027 | 10.4% | 815,098 | 8,156 | 203.50 | 216 | 18,544 | - |
| 49009 | Hillsboro 9 | 456 | 1,256,147 | 1,344,080 | 87,932 | 7.0% | 1,820,020 | 7,832 | 178.64 | 404 | 25,218 | - |
| 49014 | May-Port CG 14 | 599 | 1,705,596 | 1,824,991 | 119,395 | 7.0% | 2,162,222 | 7,303 | 185.00 | 546 | 21,406 | - |
| 50003 | Grafton 3 | 1,011 | 3,257,871 | 4,487,270 | 1,229,400 | 37.7% | 1,905,065 | 7,248 | 184.96 | 882 | 11,678 | - |
| 50005 | Fordville-Lankin 5 | 123 | 366,556 | 375,720 | 9,163 | 2.5% | 477,526 | 9,325 | 155.35 | 92 | 33,594 | - |
| 50020 | Minto 20 | 299 | 868,354 | 962,149 | 93,795 | 10.8% | 767,875 | 7,555 | 181.89 | 229 | 18,431 | - |
| 50051 | Nash 51 | 23 | 51,003 | 52,278 | 1,275 | 2.5% | 166,003 | 12,473 | 176.85 | 18 | 53,638 | - |
| 50078 | Park River 78 | 451 | 1,413,319 | 1,790,002 | 376,683 | 26.7% | 1,108,481 | 7,130 | 185.00 | 407 | 14,735 | - |
| 50106 | Edinburg 106 | 161 | 495,844 | 559,210 | 63,366 | 12.8% | 372,592 | 7,798 | 182.25 | 120 | 17,108 | - |
| 50128 | Adams 128 | 83 | 273,567 | 280,407 | 6,839 | 2.5% | 346,992 | 10,119 | 167.26 | 62 | 33,461 | 18,161 |
| 51001 | Minot 1 | 6,805 | 20,811,879 | 21,801,137 | 989,257 | 4.8% | 28,538,197 | 8,063 | 185.00 | 6,244 | 21,948 | - |
| 51004 | Nedrose 4 | 229 | 681,492 | 729,197 | 47,705 | 7.0% | 495,917 | 5,698 | 82.45 | 215 | 27,947 | - |
| 51007 | United 7 | 620 | 1,949,567 | 2,452,086 | 502,519 | 25.8% | 1,449,591 | 6,936 | 179.79 | 563 | 14,334 | - |
| 51010 | Bell 10 | 186 | 555,255 | 594,123 | 38,867 | 7.0% | 300,511 | 6,004 | 97.54 | 149 | 20,658 | - |
| 51016 | Sawyer 16 | 174 | 511,395 | 547,193 | 35,798 | 7.0% | 519,405 | 8,268 | 185.00 | 129 | 21,764 | - |
| 51019 | Eureka 19 | 13 | 18,240 | 18,696 | 456 | 2.5% | 55,749 | 7,445 | 53.14 | 10 | 104,875 | - |
| 51028 | Kenmare 28 | 349 | 928,654 | 993,660 | 65,007 | 7.0% | 1,350,206 | 8,446 | 183.18 | 278 | 26,562 | - |
| 51041 | Surrey 41 | 387 | 1,288,555 | 1,548,409 | 259,854 | 20.2% | 589,353 | 6,508 | 156.94 | 329 | 11,432 | - |
| 51070 | S Prairie 70 | 169 | 499,160 | 511,639 | 12,478 | 2.5% | 550,652 | 7,840 | 118.13 | 136 | 34,392 | - |
| 51161 | Lewis and Clark 161 | 481 | 1,250,218 | 1,337,735 | 87,517 | 7.0% | 1,589,828 | 8,043 | 159.62 | 364 | 27,363 | - |
| 52025 | Fessenden-Bowdon 25 | 250 | 551,467 | 565,255 | 13,788 | 2.5% | 1,089,982 | 8,828 | 135.10 | 188 | 43,029 | - |
| 52035 | Pleasant Valley 3 | 20 | 35,857 | 36,754 | 896 | 2.5% | 185,004 | 15,294 | 163.89 | 15 | 77,850 | - |
| 52038 | Harvey 38 | 468 | 1,363,853 | 1,459,322 | 95,469 | 7.0% | 1,670,453 | 7,330 | 175.34 | 427 | 22,311 | - |
| 53001 | Williston 1 | 2,293 | 7,822,472 | 10,296,230 | 2,473,757 | 31.6% | 5,854,227 | 7,707 | 238.41 | 2,096 | 11,718 | - |

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 53002 | Nesson 2 | 209 | 600,897 | 642,959 | 42,062 | 7.0% | 790,873 | 9,191 | 185.00 | 156 | 27,404 | - |
| 53006 | Eight Mile 6 | 287 | 1,016,855 | 1,104,301 | 87,446 | 8.6% | 462,769 | 7,188 | 162.42 | 218 | 13,070 | - |
| 53008 | New 8 | 243 | 498,637 | 511,101 | 12,465 | 2.5% | 1,159,860 | 8,680 | 131.99 | 193 | 44,714 | - |
| 53015 | Tioga 15 | 297 | 867,776 | 928,521 | 60,745 | 7.0% | 1,274,781 | 9,706 | 178.33 | 227 | 31,491 | - |
| 53099 | Grenora 99 | 100 | 227,004 | 232,679 | 5,675 | 2.5% | 727,950 | 16,421 | 185.00 | 59 | 67,263 | 19,325 |
| | Statewide | 107,254 | 319,243,991 | 353,888,700 | 34,644,709 | 10.9% | 383,484,248 | 7,891 | 193.01 | 93,446 | 21,477 | 343,445 |
| | Count <> 0 | | | | | | | | | | | |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 364 | 1,098,833 | 1,185,806 | 86,973 | 7.9% | 1,152,466 | 7,794 | 165.85 | 300 | 23,117 | - |
| 2002 | Valley City 2 | 1,114 | 3,679,985 | 4,243,544 | 563,560 | 15.3% | 3,140,246 | 7,179 | 185.00 | 1,029 | 16,501 | - |
| 2046 | Litchville-Marion 46 | 209 | 545,525 | 547,573 | 2,048 | 0.4% | 1,029,571 | 10,107 | 150.48 | 156 | 43,844 | - |
| 2065 | N Central 65 | 186 | 429,984 | 433,823 | 3,839 | 0.9% | 1,034,215 | 10,524 | 158.16 | 140 | 46,875 | - |
| 2082 | Wimbledon-Courtenay | 190 | 450,062 | 451,337 | 1,275 | 0.3% | 993,137 | 10,245 | 165.13 | 141 | 42,654 | 23,725 |
| 3005 | Minnewaukan 5 | 286 | 849,572 | 1,229,345 | 379,773 | 44.7% | 264,993 | 6,918 | 166.43 | 216 | 7,371 | - |
| 3006 | Leeds 6 | 219 | 609,274 | 680,994 | 71,720 | 11.8% | 758,238 | 8,794 | 158.39 | 164 | 29,251 | - |
| 3009 | Maddock 9 | 238 | 740,076 | 790,385 | 50,309 | 6.8% | 764,284 | 8,759 | 176.75 | 178 | 24,361 | - |
| 3016 | Oberon 16 | 53 | 143,003 | 175,503 | 32,500 | 22.7% | 117,656 | 7,329 | 112.56 | 40 | 26,132 | - |
| 3029 | Warwick 29 | 249 | 886,227 | 1,002,570 | 116,343 | 13.1% | 183,001 | 6,305 | 149.16 | 188 | 6,525 | - |
| 3030 | Ft Totten 30 | 249 | 868,321 | 969,856 | 101,534 | 11.7% | 22,229 | 5,512 | 185.00 | 180 | 668 | - |
| 4001 | Billings Co 1 | 57 | 2,419 | 2,383 | (36) | -1.5% | 1,008,758 | 23,570 | - | 43 | 811,087 | - |
| 5001 | Bottineau 1 | 698 | 2,274,397 | 2,276,334 | 1,936 | 0.1% | 2,291,028 | 7,228 | 145.53 | 632 | 24,912 | - |
| 5017 | Westhope 17 | 174 | 465,755 | 495,074 | 29,319 | 6.3% | 687,866 | 9,502 | 164.68 | 125 | 33,550 | - |
| 5054 | Newburg-United 54 | 110 | 181,774 | 179,204 | (2,571) | -1.4% | 853,654 | 15,416 | 159.31 | 67 | 79,954 | - |
| 6001 | Bowman County 1 | 488 | 1,474,200 | 1,526,138 | 51,938 | 3.5% | 2,543,905 | 9,725 | 151.83 | 419 | 40,036 | - |
| 6033 | Scranton 33 | 212 | 579,011 | 606,266 | 27,256 | 4.7% | 919,298 | 9,636 | 139.17 | 158 | 41,723 | - |
| 7014 | Bowbells 14 | 89 | 223,019 | 226,237 | 3,218 | 1.4% | 569,416 | 12,055 | 156.48 | 66 | 55,135 | - |
| 7027 | Powers Lake 27 | 153 | 440,569 | 489,184 | 48,615 | 11.0% | 522,587 | 8,836 | 182.75 | 115 | 24,974 | - |
| 7036 | Burke Central 36 | 114 | 252,431 | 271,669 | 19,238 | 7.6% | 716,179 | 11,693 | 169.20 | 84 | 50,103 | 5,762 |
| 8001 | Bismarck 1 | 11,592 | 34,301,925 | 41,715,910 | 7,413,984 | 21.6% | 42,944,172 | 8,005 | 229.17 | 10,576 | 17,718 | - |
| 8025 | Naughton 25 | 4 | 38,489 | 40,221 | 1,732 | 4.5% | 53,347 | 31,189 | 167.64 | 3 | 106,075 | - |
| 8028 | Wing 28 | 122 | 333,472 | 373,192 | 39,720 | 11.9% | 351,448 | 8,007 | 141.13 | 91 | 27,516 | - |
| 8029 | Baldwin 29 | 23 | 60,486 | 63,208 | 2,722 | 4.5% | 126,979 | 10,868 | 136.24 | 18 | 52,162 | - |
| 8033 | Menoken 33 | 16 | 20,977 | 21,921 | 944 | 4.5% | 212,139 | 19,505 | 166.26 | 12 | 106,329 | - |
| 8035 | Sterling 35 | 51 | 82,077 | 97,307 | 15,231 | 18.6% | 354,499 | 11,890 | 166.69 | 38 | 55,954 | 9,769 |
| 8039 | Apple Creek 39 | 69 | 188,595 | 201,005 | 12,410 | 6.6% | 212,550 | 8,109 | 89.27 | 51 | 45,610 | - |
| 8045 | Manning 45 | 6 | 22,914 | 23,945 | 1,031 | 4.5% | 55,426 | 17,638 | 219.94 | 5 | 56,001 | - |
| 9001 | Fargo 1 | 11,364 | 32,106,643 | 36,190,234 | 4,083,591 | 12.7% | 62,202,912 | 9,457 | 278.62 | 10,404 | 21,459 | - |
| 9002 | Kindred 2 | 717 | 2,066,427 | 2,317,886 | 251,459 | 12.2% | 2,243,324 | 6,864 | 169.89 | 665 | 19,871 | - |
| 9004 | Maple Valley 4 | 352 | 862,907 | 992,658 | 129,751 | 15.0% | 1,648,894 | 10,121 | 175.81 | 261 | 35,934 | - |
| 9006 | West Fargo 6 | 6,298 | 17,249,837 | 19,349,343 | 2,099,507 | 12.2% | 23,911,685 | 7,511 | 185.00 | 5,760 | 22,433 | - |
| 9007 | Mapleton 7 | 82 | 265,292 | 277,231 | 11,938 | 4.5% | 475,025 | 12,232 | 140.96 | 62 | 54,796 | - |
| 9017 | Central Cass 17 | 915 | 2,564,733 | 2,981,419 | 416,686 | 16.2% | 2,241,894 | 6,211 | 155.38 | 841 | 17,156 | - |
| 9080 | Page 80 | 131 | 333,952 | 359,872 | 25,919 | 7.8% | 644,206 | 10,301 | 166.76 | 97 | 39,633 | - |
| 9097 | Northern Cass | 554 | 1,435,497 | 1,663,314 | 227,817 | 15.9% | 1,971,257 | 7,169 | 170.54 | 507 | 22,799 | - |
| 10019 | Munich 19 | 157 | 362,702 | 353,156 | (9,546) | -2.6% | 646,207 | 10,410 | 148.37 | 96 | 45,368 | - |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10023 | Langdon Area 23 | 481 | 1,259,216 | 1,350,702 | 91,486 | 7.3% | 2,327,196 | 8,416 | 157.50 | 437 | 33,812 | - |
| 11040 | Ellendale 40 | 405 | 1,180,147 | 1,325,234 | 145,087 | 12.3% | 1,204,878 | 7,262 | 172.55 | 348 | 20,041 | - |
| 11041 | Oakes 41 | 584 | 1,609,625 | 1,963,852 | 354,227 | 22.0% | 1,809,238 | 7,079 | 183.93 | 533 | 18,452 | - |
| 12001 | Divide County 1 | 313 | 913,176 | 929,787 | 16,611 | 1.8% | 1,336,024 | 9,496 | 140.93 | 239 | 39,732 | - |
| 13008 | Dodge 8 | 20 | 69,873 | 77,786 | 7,913 | 11.3% | 151,185 | 15,347 | 185.00 | 15 | 54,773 | - |
| 13016 | Killdeer 16 | 403 | 1,163,769 | 1,289,518 | 125,749 | 10.8% | 1,579,452 | 8,258 | 158.78 | 347 | 28,631 | - |
| 13019 | Halliday 19 | 35 | 83,323 | 80,848 | (2,475) | -3.0% | 353,885 | 16,720 | 171.31 | 26 | 79,452 | - |
| 13037 | Twin Buttes 37 | 57 | 212,494 | 219,496 | 7,002 | 3.3% | 41,901 | 6,376 | - | 41 | 605 | - |
| 14002 | New Rockford-Sheyenr | 489 | 1,534,014 | 1,637,847 | 103,832 | 6.8% | 1,177,094 | 6,750 | 165.00 | 417 | 17,108 | - |
| 15006 | Hazelton-Moffit-Braddo | 178 | 478,637 | 522,356 | 43,719 | 9.1% | 628,415 | 8,718 | 152.64 | 132 | 31,189 | - |
| 15010 | Bakker 10 | 5 | 192 | 201 | 9 | 4.5% | 115,721 | 28,980 | 101.81 | 4 | 284,160 | - |
| 15015 | Strasburg 15 | 201 | 640,122 | 635,235 | (4,887) | -0.8% | 497,811 | 7,579 | 142.50 | 150 | 23,367 | - |
| 15036 | Linton 36 | 366 | 1,133,780 | 1,214,524 | 80,744 | 7.1% | 941,644 | 7,175 | 171.03 | 301 | 18,322 | - |
| 16049 | Carrington 49 | 690 | 1,900,092 | 2,216,309 | 316,216 | 16.6% | 2,072,890 | 6,863 | 150.67 | 625 | 22,013 | - |
| 17003 | Beach 3 | 360 | 1,109,638 | 1,177,644 | 68,006 | 6.1% | 1,696,826 | 9,933 | 145.42 | 289 | 25,371 | - |
| 17006 | Lone Tree 6 | 42 | 121,740 | 121,670 | (69) | -0.1% | 203,482 | 10,640 | 106.68 | 31 | 55,001 | - |
| 18001 | Grand Forks 1 | 7,768 | 23,194,986 | 25,786,095 | 2,591,109 | 11.2% | 34,176,403 | 8,443 | 208.62 | 7,102 | 23,067 | - |
| 18044 | Larimore 44 | 523 | 1,668,670 | 1,878,110 | 209,439 | 12.6% | 1,490,789 | 7,063 | 180.31 | 477 | 17,333 | - |
| 18061 | Thompson 61 | 454 | 1,319,511 | 1,697,831 | 378,320 | 28.7% | 1,174,752 | 6,955 | 178.49 | 413 | 15,936 | - |
| 18125 | Manvel 125 | 212 | 668,903 | 709,481 | 40,578 | 6.1% | 196,446 | 6,335 | 49.61 | 143 | 27,691 | - |
| 18127 | Emerado 127 | 85 | 302,861 | 306,855 | 3,993 | 1.3% | 337,934 | 10,235 | 151.84 | 63 | 35,327 | - |
| 18128 | Midway 128 | 320 | 839,071 | 947,208 | 108,137 | 12.9% | 1,169,996 | 8,503 | 190.97 | 249 | 24,605 | - |
| 18129 | Northwood 129 | 357 | 1,051,886 | 1,168,063 | 116,177 | 11.0% | 1,098,947 | 7,899 | 185.00 | 287 | 20,698 | - |
| 19018 | Roosevelt 18 | 154 | 557,105 | 537,996 | (19,108) | -3.4% | 418,576 | 8,282 | 159.80 | 116 | 22,624 | - |
| 19049 | Elgin-New Leipzig 49 | 222 | 630,643 | 714,907 | 84,263 | 13.4% | 841,241 | 9,403 | 188.24 | 166 | 27,003 | - |
| 20007 | Midkota 7 | 153 | 416,239 | 420,315 | 4,076 | 1.0% | 1,081,194 | 13,171 | 185.00 | 114 | 51,266 | 20,924 |
| 20018 | Griggs County Central | 359 | 1,054,484 | 1,173,015 | 118,531 | 11.2% | 1,209,756 | 8,274 | 190.00 | 288 | 22,108 | - |
| 21001 | Mott-Regent 1 | 292 | 819,844 | 867,717 | 47,873 | 5.8% | 1,055,721 | 8,645 | 144.25 | 223 | 32,893 | - |
| 21009 | New England 9 | 206 | 570,461 | 563,314 | (7,148) | -1.3% | 1,019,363 | 10,311 | 170.50 | 154 | 38,949 | 32,148 |
| 22011 | Pettibone-Tuttle 11 | 8 | 16,886 | 17,646 | 760 | 4.5% | 225,379 | 40,504 | 187.48 | 6 | 200,358 | - |
| 22014 | Robinson 14 | 25 | 52,930 | 55,312 | 2,382 | 4.5% | 203,575 | 39,829 | 163.92 | 7 | 191,064 | - |
| 22020 | Tuttle-Pettibone 20 | 29 | 76,804 | 76,796 | (8) | 0.0% | 376,162 | 20,589 | 171.40 | 22 | 99,757 | - |
| 22026 | Steele-Dawson 26 | 348 | 965,665 | 1,081,544 | 115,879 | 12.0% | 856,983 | 7,024 | 161.23 | 276 | 19,258 | - |
| 22028 | Tappen 28 | 113 | 363,583 | 375,541 | 11,957 | 3.3% | 352,457 | 8,626 | 195.00 | 84 | 21,416 | 13,043 |
| 23003 | Edgeley 3 | 278 | 813,708 | 888,731 | 75,023 | 9.2% | 961,975 | 8,830 | 156.20 | 210 | 29,383 | - |
| 23007 | Kulm 7 | 156 | 343,179 | 351,311 | 8,133 | 2.4% | 1,006,088 | 11,797 | 170.04 | 115 | 51,423 | 16,867 |
| 23008 | LaMoure 8 | 365 | 1,082,313 | 1,165,756 | 83,444 | 7.7% | 1,091,277 | 7,474 | 148.21 | 302 | 24,381 | - |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 24002 | Napoleon 2 | 309 | 870,967 | 985,804 | 114,837 | 13.2% | 686,319 | 7,026 | 162.60 | 238 | 17,735 | - |
| 24056 | Gackle 14 | 132 | 291,942 | 299,039 | 7,097 | 2.4% | 700,021 | 10,194 | 141.76 | 98 | 50,388 | - |
| 25001 | Velva 1 | 435 | 1,271,061 | 1,397,896 | 126,836 | 10.0% | 1,236,691 | 6,738 | 148.96 | 391 | 21,233 | - |
| 25014 | Anamoose 14 | 102 | 321,662 | 337,432 | 15,770 | 4.9% | 368,185 | 9,284 | 178.81 | 76 | 27,040 | 9,230 |
| 25057 | Drake 57 | 169 | 432,194 | 490,623 | 58,429 | 13.5% | 621,506 | 8,847 | 161.54 | 126 | 30,607 | - |
| 25060 | TGU 60 | 395 | 962,232 | 1,093,300 | 131,068 | 13.6% | 1,847,665 | 8,625 | 153.81 | 341 | 35,228 | - |
| 26004 | Zeeland 4 | 96 | 201,797 | 211,869 | 10,072 | 5.0% | 440,602 | 13,208 | 160.95 | 49 | 55,415 | 14,928 |
| 26009 | Ashley 9 | 187 | 544,140 | 585,879 | 41,739 | 7.7% | 629,197 | 8,710 | 153.21 | 140 | 29,439 | - |
| 26019 | Wishek 19 | 295 | 853,594 | 895,613 | 42,020 | 4.9% | 722,026 | 7,160 | 147.36 | 226 | 21,688 | - |
| 27001 | McKenzie Co 1 | 556 | 1,626,070 | 1,650,760 | 24,690 | 1.5% | 2,682,733 | 8,539 | 145.06 | 508 | 36,441 | - |
| 27002 | Alexander 2 | 85 | 132,395 | 140,597 | 8,202 | 6.2% | 502,492 | 16,600 | 142.04 | 39 | 91,318 | - |
| 27014 | Yellowstone 14 | 106 | 319,512 | 336,525 | 17,013 | 5.3% | 375,409 | 9,556 | 155.27 | 75 | 30,975 | - |
| 27018 | Earl | 19 | 811 | 847 | 37 | 4.5% | 34,223 | 2,923 | - | 12 | 179,575 | - |
| 27032 | Horse Creek 32 | 8 | 288 | 301 | 13 | 4.5% | 108,903 | 18,201 | 46.98 | 6 | 281,690 | - |
| 27036 | Mandaree 36 | 230 | 866,039 | 889,518 | 23,479 | 2.7% | 221,964 | 6,656 | 82.22 | 167 | 16,165 | - |
| 28001 | Montefiore 1 | 273 | 851,354 | 889,343 | 37,989 | 4.5% | 698,705 | 7,672 | 150.71 | 207 | 22,397 | - |
| 28004 | Washburn 4 | 358 | 1,055,150 | 1,105,417 | 50,266 | 4.8% | 957,760 | 7,139 | 139.87 | 289 | 23,694 | - |
| 28008 | Underwood 8 | 271 | 768,455 | 850,361 | 81,906 | 10.7% | 996,815 | 8,989 | 164.09 | 206 | 29,370 | - |
| 28050 | Max 50 | 187 | 587,562 | 621,420 | 33,858 | 5.8% | 631,618 | 9,047 | 171.39 | 139 | 26,608 | - |
| 28051 | Garrison 51 | 381 | 1,072,970 | 1,176,488 | 103,519 | 9.6% | 1,515,578 | 8,426 | 161.98 | 320 | 29,285 | - |
| 28072 | Turtle Lake-Mercer 72 | 210 | 609,173 | 622,511 | 13,338 | 2.2% | 888,005 | 9,656 | 154.38 | 156 | 36,769 | - |
| 28085 | White Shield 85 | 163 | 552,067 | 637,305 | 85,239 | 15.4% | 149,394 | 6,532 | 185.00 | 120 | 6,705 | - |
| 29003 | Hazen 3 | 665 | 2,257,749 | 2,380,321 | 122,572 | 5.4% | 2,006,628 | 7,215 | 185.00 | 608 | 17,840 | - |
| 29020 | Golden Valley 20 | 44 | 137,111 | 131,410 | (5,701) | -4.2% | 288,915 | 12,737 | 170.88 | 33 | 51,235 | 30,701 |
| 29027 | Beulah 27 | 732 | 2,466,849 | 2,482,842 | 15,993 | 0.6% | 2,827,535 | 7,896 | 185.65 | 673 | 22,648 | 9,007 |
| 30001 | Mandan 1 | 3,312 | 10,352,574 | 12,836,059 | 2,483,485 | 24.0% | 9,092,100 | 7,187 | 185.00 | 3,051 | 16,108 | - |
| 30004 | Little Heart 4 | 21 | 58,540 | 61,174 | 2,634 | 4.5% | 109,999 | 11,043 | 130.04 | 16 | 54,573 | - |
| 30007 | New Salem 7 | 368 | 1,148,339 | 1,196,903 | 48,564 | 4.2% | 787,808 | 6,361 | 149.15 | 312 | 16,929 | - |
| 30008 | Sims 8 | 25 | 43,884 | 45,859 | 1,975 | 4.5% | 181,996 | 11,992 | 118.51 | 19 | 80,826 | - |
| 30013 | Hebron 13 | 213 | 598,274 | 656,588 | 58,315 | 9.7% | 704,634 | 8,713 | 166.40 | 156 | 27,107 | - |
| 30017 | Sweet Briar 17 | 11 | 27,378 | 28,610 | 1,232 | 4.5% | 27,106 | 6,965 | 70.99 | 8 | 47,729 | - |
| 30039 | Flasher 39 | 286 | 871,772 | 1,105,986 | 234,214 | 26.9% | 601,050 | 7,807 | 181.55 | 219 | 15,141 | - |
| 30048 | Glen Ullin 48 | 220 | 721,449 | 736,058 | 14,609 | 2.0% | 769,385 | 9,180 | 162.42 | 164 | 28,884 | 10,391 |
| 31001 | New Town 1 | 785 | 2,578,984 | 3,191,413 | 612,429 | 23.7% | 891,763 | 5,735 | 163.90 | 712 | 7,642 | - |
| 31002 | Stanley 2 | 392 | 1,152,392 | 1,279,875 | 127,482 | 11.1% | 1,137,715 | 7,217 | 171.41 | 335 | 19,813 | - |
| 31003 | Parshall 3 | 331 | 930,213 | 1,047,712 | 117,498 | 12.6% | 655,468 | 6,601 | 156.49 | 258 | 16,235 | - |
| 32001 | Dakota Prairie 1 | 342 | 888,092 | 977,529 | 89,438 | 10.1% | 1,805,290 | 10,423 | 185.00 | 267 | 36,548 | - |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 32066 | Lakota 66 | 277 | 847,110 | 918,336 | 71,227 | 8.4% | 898,902 | 8,737 | 185.00 | 208 | 23,360 | - |
| 33001 | Center-Stanton 1 | 334 | 1,044,715 | 1,141,044 | 96,330 | 9.2% | 1,283,265 | 9,389 | 174.98 | 258 | 28,403 | - |
| 34006 | Cavalier 6 | 468 | 1,509,169 | 1,552,520 | 43,351 | 2.9% | 1,696,548 | 7,718 | 185.00 | 421 | 21,785 | - |
| 34012 | Valley 12 | 203 | 574,013 | 630,461 | 56,448 | 9.8% | 827,118 | 9,621 | 184.97 | 152 | 29,282 | - |
| 34019 | Drayton 19 | 186 | 415,493 | 465,183 | 49,690 | 12.0% | 1,014,424 | 10,645 | 181.83 | 139 | 40,126 | - |
| 34043 | St Thomas 43 | 151 | 404,054 | 444,704 | 40,650 | 10.1% | 608,303 | 9,360 | 185.00 | 113 | 29,228 | - |
| 34100 | North Border 100 | 638 | 1,674,017 | 1,918,224 | 244,207 | 14.6% | 2,340,560 | 8,795 | 184.77 | 484 | 26,159 | - |
| 35001 | Wolford 1 | 71 | 199,956 | 197,802 | (2,154) | -1.1% | 326,033 | 12,274 | 191.95 | 43 | 39,797 | 27,154 |
| 35005 | Rugby 5 | 546 | 1,615,759 | 1,760,540 | 144,781 | 9.0% | 2,106,924 | 7,774 | 182.50 | 498 | 23,206 | - |
| 36001 | Devils Lake 1 | 1,888 | 6,351,512 | 8,864,120 | 2,512,608 | 39.6% | 3,651,284 | 7,185 | 185.00 | 1,742 | 11,312 | - |
| 36002 | Edmore 2 | 106 | 161,664 | 164,780 | 3,116 | 1.9% | 700,711 | 10,956 | 143.00 | 79 | 62,026 | - |
| 36044 | Starkweather 44 | 140 | 366,718 | 401,262 | 34,544 | 9.4% | 498,139 | 10,644 | 168.62 | 85 | 34,961 | - |
| 37002 | Sheldon 2 | 28 | 81,589 | 87,350 | 5,761 | 7.1% | 259,806 | 16,531 | 177.36 | 21 | 69,755 | - |
| 37006 | Ft Ransom 6 | 27 | 69,054 | 70,921 | 1,867 | 2.7% | 136,357 | 10,554 | 139.97 | 20 | 49,602 | - |
| 37019 | Lisbon 19 | 684 | 2,111,381 | 2,677,677 | 566,295 | 26.8% | 1,840,735 | 7,201 | 185.00 | 628 | 15,856 | - |
| 37022 | Enderlin 22 | 362 | 1,053,864 | 1,177,436 | 123,572 | 11.7% | 1,313,483 | 8,465 | 181.78 | 294 | 24,519 | - |
| 38001 | Mohall-Lansford-Sherw | 412 | 1,146,028 | 1,207,660 | 61,632 | 5.4% | 1,827,074 | 9,801 | 147.42 | 310 | 40,026 | - |
| 38026 | Glenburn 26 | 331 | 1,066,205 | 1,126,313 | 60,109 | 5.6% | 677,538 | 6,997 | 147.71 | 258 | 17,793 | - |
| 39008 | Hankinson 8 | 365 | 1,004,805 | 1,111,639 | 106,834 | 10.6% | 1,117,001 | 7,466 | 170.00 | 299 | 22,012 | - |
| 39018 | Fairmount 18 | 163 | 376,914 | 432,764 | 55,850 | 14.8% | 795,349 | 10,067 | 188.08 | 122 | 34,662 | - |
| 39028 | Lidgerwood 28 | 247 | 750,190 | 819,696 | 69,506 | 9.3% | 736,103 | 8,387 | 185.00 | 186 | 21,450 | - |
| 39037 | Wahpeton 37 | 1,376 | 4,338,057 | 5,069,824 | 731,767 | 16.9% | 4,006,151 | 7,215 | 185.00 | 1,258 | 17,213 | - |
| 39042 | Wyndmere 42 | 307 | 827,927 | 919,932 | 92,004 | 11.1% | 1,070,939 | 8,450 | 152.23 | 236 | 29,860 | - |
| 39044 | Richland 44 | 371 | 1,096,305 | 1,219,081 | 122,776 | 11.2% | 1,110,515 | 7,605 | 185.00 | 306 | 19,596 | - |
| 40001 | Dunseith 1 | 629 | 2,148,191 | 2,525,326 | 377,135 | 17.6% | 210,000 | 4,799 | 136.53 | 570 | 2,698 | - |
| 40003 | St John 3 | 371 | 1,252,699 | 1,469,952 | 217,253 | 17.3% | 118,497 | 5,141 | 144.37 | 309 | 2,656 | - |
| 40004 | Mt Pleasant 4 | 318 | 1,044,520 | 1,102,373 | 57,854 | 5.5% | 802,013 | 7,741 | 180.07 | 246 | 18,091 | - |
| 40007 | Belcourt 7 | 1,764 | 6,373,706 | 7,078,065 | 704,359 | 11.1% | - | 4,405 | - | 1,607 | 230 | - |
| 40029 | Rolette 29 | 221 | 690,917 | 738,539 | 47,622 | 6.9% | 579,106 | 8,086 | 185.00 | 163 | 19,209 | - |
| 41002 | Milnor 2 | 360 | 1,069,188 | 1,502,185 | 432,997 | 40.5% | 681,123 | 7,452 | 175.84 | 293 | 13,216 | - |
| 41003 | N Sargent 3 | 301 | 903,429 | 1,205,575 | 302,146 | 33.4% | 571,712 | 7,838 | 177.98 | 227 | 14,161 | - |
| 41006 | Sargent Central 6 | 345 | 877,646 | 986,594 | 108,947 | 12.4% | 1,428,234 | 8,944 | 184.73 | 270 | 28,635 | - |
| 42016 | Goodrich 16 | 54 | 136,931 | 139,633 | 2,702 | 2.0% | 327,015 | 11,666 | 185.00 | 40 | 44,187 | 22,298 |
| 42019 | McClusky 19 | 131 | 351,192 | 389,344 | 38,152 | 10.9% | 493,567 | 9,056 | 174.73 | 98 | 28,972 | - |
| 43003 | Solen 3 | 221 | 775,129 | 876,289 | 101,160 | 13.1% | 46,307 | 5,591 | 185.00 | 165 | 1,517 | - |
| 43004 | Ft Yates 4 | 210 | 985,777 | 962,789 | (22,988) | -2.3% | 89,335 | 7,569 | 185.00 | 139 | 3,474 | 47,988 |
| 43008 | Selfridge 8 | 79 | 74,759 | 73,784 | (975) | -1.3% | 244,283 | 6,914 | 183.10 | 46 | 29,003 | 25,975 |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 44012 | Marmarth 12 | 15 | 802 | 838 | 36 | 4.5% | 130,866 | 13,170 | 30.62 | 10 | 283,421 | - |
| 44032 | Central Elementary 32 | 7 | 200 | 209 | 9 | 4.5% | 118,492 | 21,582 | 28.96 | 6 | 554,397 | - |
| 45001 | Dickinson 1 | 2,702 | 8,731,449 | 10,636,541 | 1,905,092 | 21.8% | 7,247,356 | 7,190 | 185.00 | 2,488 | 15,749 | - |
| 45009 | South Heart 9 | 292 | 961,686 | 988,573 | 26,887 | 2.8% | 589,908 | 7,038 | 146.00 | 224 | 18,015 | - |
| 45013 | Belfield 13 | 265 | 898,490 | 1,115,471 | 216,981 | 24.1% | 476,435 | 8,020 | 185.00 | 199 | 12,974 | - |
| 45034 | Richardton-Taylor 34 | 320 | 999,441 | 1,063,683 | 64,242 | 6.4% | 938,258 | 8,155 | 185.00 | 246 | 20,659 | - |
| 46010 | Hope 10 | 164 | 420,278 | 478,478 | 58,200 | 13.8% | 665,994 | 9,381 | 176.09 | 122 | 31,001 | - |
| 46019 | Finley-Sharon 19 | 219 | 616,777 | 668,339 | 51,562 | 8.4% | 836,771 | 9,234 | 185.00 | 163 | 27,749 | - |
| 47001 | Jamestown 1 | 2,379 | 7,782,988 | 9,220,100 | 1,437,112 | 18.5% | 6,512,612 | 7,207 | 185.00 | 2,183 | 16,098 | - |
| 47003 | Medina 3 | 205 | 597,697 | 660,792 | 63,096 | 10.6% | 678,460 | 8,753 | 169.06 | 153 | 26,230 | - |
| 47010 | Pingree-Buchanan | 201 | 601,482 | 660,531 | 59,049 | 9.8% | 553,896 | 8,096 | 165.92 | 150 | 22,256 | - |
| 47014 | Montpelier 14 | 141 | 411,918 | 443,150 | 31,232 | 7.6% | 499,182 | 9,004 | 185.00 | 105 | 25,781 | - |
| 47019 | Kensal 19 | 81 | 155,845 | 163,400 | 7,555 | 4.8% | 451,090 | 12,802 | 170.00 | 48 | 55,281 | 17,445 |
| 47026 | Spiritwood 26 | 13 | 751 | 784 | 34 | 4.5% | 438,847 | 43,963 | 140.09 | 10 | 313,261 | - |
| 48002 | Bisbee-Egeland 2 | 74 | 170,515 | 175,058 | 4,543 | 2.7% | 639,996 | 14,819 | 176.79 | 55 | 65,820 | 20,457 |
| 48008 | Southern 8 | 262 | 816,397 | 870,452 | 54,055 | 6.6% | 640,852 | 7,711 | 164.12 | 196 | 19,916 | - |
| 48028 | North Central 28 | 96 | 241,616 | 236,214 | (5,401) | -2.2% | 743,016 | 16,883 | 153.82 | 58 | 83,283 | - |
| 49003 | Central Valley 3 | 327 | 904,047 | 991,186 | 87,139 | 9.6% | 1,036,027 | 7,981 | 153.64 | 254 | 26,548 | - |
| 49007 | Hatton 7 | 276 | 857,568 | 920,818 | 63,250 | 7.4% | 815,098 | 8,354 | 203.50 | 208 | 19,275 | - |
| 49009 | Hillsboro 9 | 457 | 1,256,147 | 1,410,247 | 154,100 | 12.3% | 1,820,020 | 7,976 | 178.64 | 405 | 25,156 | - |
| 49014 | May-Port CG 14 | 595 | 1,705,596 | 1,898,047 | 192,450 | 11.3% | 2,162,222 | 7,485 | 185.00 | 542 | 21,545 | - |
| 50003 | Grafton 3 | 1,030 | 3,257,871 | 4,733,265 | 1,475,395 | 45.3% | 1,905,065 | 7,384 | 184.96 | 899 | 11,457 | - |
| 50005 | Fordville-Lankin 5 | 123 | 366,556 | 395,209 | 28,653 | 7.8% | 477,526 | 9,486 | 155.35 | 92 | 33,412 | - |
| 50020 | Minto 20 | 301 | 868,354 | 1,022,650 | 154,297 | 17.8% | 767,875 | 7,718 | 181.89 | 232 | 18,193 | - |
| 50051 | Nash 51 | 24 | 51,003 | 54,211 | 3,208 | 6.3% | 166,003 | 12,372 | 176.85 | 18 | 52,734 | - |
| 50078 | Park River 78 | 457 | 1,413,319 | 1,884,530 | 471,211 | 33.3% | 1,108,481 | 7,266 | 185.00 | 412 | 14,541 | - |
| 50106 | Edinburg 106 | 159 | 495,844 | 568,475 | 72,631 | 14.6% | 372,592 | 7,962 | 182.25 | 118 | 17,296 | - |
| 50128 | Adams 128 | 89 | 273,567 | 308,938 | 35,370 | 12.9% | 346,992 | 9,790 | 167.26 | 67 | 30,964 | - |
| 51001 | Minot 1 | 6,737 | 20,811,879 | 22,362,942 | 1,551,063 | 7.5% | 28,538,197 | 8,238 | 185.00 | 6,179 | 22,177 | - |
| 51004 | Nedrose 4 | 230 | 681,492 | 761,936 | 80,444 | 11.8% | 495,917 | 5,847 | 82.45 | 215 | 27,932 | - |
| 51007 | United 7 | 611 | 1,949,567 | 2,471,544 | 521,977 | 26.8% | 1,449,591 | 7,071 | 179.79 | 555 | 14,540 | - |
| 51010 | Bell 10 | 182 | 555,255 | 605,021 | 49,766 | 9.0% | 300,511 | 6,202 | 97.54 | 146 | 21,082 | - |
| 51016 | Sawyer 16 | 172 | 511,395 | 566,639 | 55,245 | 10.8% | 519,405 | 8,511 | 185.00 | 128 | 22,003 | - |
| 51019 | Eureka 19 | 13 | 18,240 | 19,060 | 821 | 4.5% | 55,749 | 7,481 | 53.14 | 10 | 104,875 | - |
| 51028 | Kenmare 28 | 352 | 928,654 | 1,048,679 | 120,025 | 12.9% | 1,350,206 | 8,574 | 183.18 | 280 | 26,344 | - |
| 51041 | Surrey 41 | 380 | 1,288,555 | 1,555,690 | 267,134 | 20.7% | 589,353 | 6,651 | 156.94 | 323 | 11,644 | - |
| 51070 | S Prairie 70 | 167 | 499,160 | 514,076 | 14,916 | 3.0% | 550,652 | 8,065 | 118.13 | 132 | 35,298 | - |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 100% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 51161 | Lewis and Clark 161 | 473 | 1,250,218 | 1,377,273 | 127,055 | 10.2% | 1,589,828 | 8,288 | 159.62 | 358 | 27,821 | - |
| 52025 | Fessenden-Bowdon 25 | 238 | 551,467 | 548,626 | (2,841) | -0.5% | 1,089,982 | 9,258 | 135.10 | 177 | 45,582 | - |
| 52035 | Pleasant Valley 3 | 19 | 35,857 | 34,974 | (883) | -2.5% | 185,004 | 16,295 | 163.89 | 14 | 83,617 | - |
| 52038 | Harvey 38 | 443 | 1,363,853 | 1,445,544 | 81,691 | 6.0% | 1,670,453 | 7,717 | 175.34 | 404 | 23,596 | - |
| 53001 | Williston 1 | 2,259 | 7,822,472 | 10,350,722 | 2,528,249 | 32.3% | 5,854,227 | 7,853 | 238.41 | 2,064 | 11,900 | - |
| 53002 | Nesson 2 | 207 | 600,897 | 665,981 | 65,084 | 10.8% | 790,873 | 9,438 | 185.00 | 154 | 27,695 | - |
| 53006 | Eight Mile 6 | 285 | 1,016,855 | 1,126,191 | 109,335 | 10.8% | 462,769 | 7,370 | 162.42 | 216 | 13,215 | - |
| 53008 | New 8 | 239 | 498,637 | 513,039 | 14,402 | 2.9% | 1,159,860 | 8,828 | 131.99 | 190 | 45,422 | - |
| 53015 | Tioga 15 | 292 | 867,776 | 954,847 | 87,071 | 10.0% | 1,274,781 | 9,998 | 178.33 | 223 | 32,056 | - |
| 53099 | Grenora 99 | 100 | 227,004 | 237,219 | 10,215 | 4.5% | 727,950 | 16,499 | 185.00 | 59 | 67,263 | 14,785 |
| | Statewide | 107,028 | 319,243,991 | 365,888,700 | 46,644,709 | 14.6% | 383,484,248 | 8,037 | 193.01 | 93,241 | 21,477 | 372,597 |
| | Count <> 0 | | | | | | | | | | | |

(B) 75% Imputed

year 1 341,787

year 2 362,873

| | Year 1 | Year 2 | Biennium |
|---|---|---|---|
| Appropriation | 353,888,700 | 353,888,700 | |
| Percentage | 50.0% | 50.0% | |
| 2nd Year Increase (Section 11) | | 7,000,000 | 2.0% |
| 2nd Year Full Day Kg | | 5,000,000 | 1.4% |
| Total Formula Funding | 353,888,700 | 365,888,700 | 719,777,400 |
| Per Student Rates | $3,246.87 | $3,354.08 | 107 |
| Projection | 353,888,700 | 365,888,700 | 719,777,400 |

| Equalization Factors | | | Add-on |
|---|---|---|---|
| EFB deduct | 50% | 45% | 20,000 |
| High Valuation Percent | 150% | 150% | |
| High Valuation Factor | 75% | 75% | |
| Minimum Levy | 150 | 155 | |
| Target Valuation Factor | 90% | 90% | |
| Minimum Valuation Factor | 50% | 50% | |
| Minimum Valuation Adjustment | 20% | 20% | |
| Tuition and County Revenue Inclusion | 75% | 75% | |
| **State Average Factors** | | | |
| State Avg Taxable Valuation Per Student | 18,980.35 | 18,980.35 | |
| State Avg Imputed Valuation Per Student | 20,853.20 | 20,899.00 | |
| Target Valuation Per Student | 18,767.88 | 18,809.10 | |
| **Transition Adjustments** | | | |
| Transition Minimum | 2.5% | 4.5% | |
| Transition Maximum | 7.0% | 12.0% | |

Includes AFB tuition amendments
Includes 2.5% /4.5% minimum guarantee
75% of Tuition and County revenue imputed

# $25,000 Miniumum Guaranttee

Eligibility:

>= 160 General Fund operating levy
>= 30 students in ADM
Receiving state aid



RM 4/19/07

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 378 | 1,098,833 | 1,175,752 | 76,919 | 7.0% | 1,152,466 | 7,253 | 165.85 | 321 | 21,363 | - |
| 2002 | Valley City 2 | 1,161 | 3,679,985 | 4,355,125 | 675,140 | 18.3% | 3,140,246 | 6,989 | 185.00 | 1,073 | 15,813 | - |
| 2046 | Litchville-Marion 46 | 218 | 545,525 | 559,164 | 13,639 | 2.5% | 1,029,571 | 9,777 | 150.48 | 163 | 42,000 | - |
| 2065 | N Central 65 | 193 | 429,984 | 440,734 | 10,750 | 2.5% | 1,034,215 | 10,207 | 158.16 | 145 | 45,253 | - |
| 2082 | Wimbledon-Courtenay 8 | 198 | 450,062 | 461,314 | 11,251 | 2.5% | 993,137 | 9,894 | 165.13 | 147 | 40,819 | 13,749 |
| 3005 | Minnewaukan 5 | 278 | 849,572 | 1,183,122 | 333,550 | 39.3% | 264,993 | 6,929 | 166.43 | 209 | 7,618 | - |
| 3006 | Leeds 6 | 215 | 609,274 | 651,924 | 42,650 | 7.0% | 758,238 | 8,786 | 158.39 | 161 | 29,598 | - |
| 3009 | Maddock 9 | 239 | 740,076 | 777,431 | 37,355 | 5.0% | 764,284 | 8,637 | 176.75 | 179 | 24,135 | - |
| 3016 | Oberon 16 | 49 | 143,003 | 153,013 | 10,010 | 7.0% | 117,656 | 7,416 | 112.56 | 37 | 28,638 | - |
| 3029 | Warwick 29 | 243 | 886,227 | 970,960 | 84,733 | 9.6% | 183,001 | 6,340 | 149.16 | 182 | 6,741 | - |
| 3030 | Ft Totten 30 | 254 | 868,321 | 967,680 | 99,359 | 11.4% | 22,229 | 5,380 | 185.00 | 184 | 653 | - |
| 4001 | Billings Co 1 | 61 | 2,419 | 2,480 | 61 | 2.5% | 1,008,758 | 22,225 | - | 46 | 601,817 | - |
| 5001 | Bottineau 1 | 729 | 2,274,397 | 2,331,255 | 56,858 | 2.5% | 2,291,028 | 6,998 | 145.53 | 661 | 22,687 | - |
| 5017 | Westhope 17 | 183 | 465,755 | 498,359 | 32,604 | 7.0% | 687,866 | 9,021 | 164.68 | 132 | 30,890 | - |
| 5054 | Newburg-United 54 | 116 | 181,774 | 186,319 | 4,545 | 2.5% | 853,654 | 14,648 | 159.31 | 71 | 74,600 | - |
| 6001 | Bowman County 1 | 492 | 1,474,200 | 1,511,052 | 36,853 | 2.5% | 2,543,905 | 9,598 | 151.83 | 423 | 34,489 | - |
| 6033 | Scranton 33 | 212 | 579,011 | 593,486 | 14,475 | 2.5% | 919,298 | 9,575 | 139.17 | 158 | 37,075 | - |
| 7014 | Bowbells 14 | 91 | 223,019 | 228,595 | 5,576 | 2.5% | 569,416 | 11,735 | 156.48 | 68 | 50,943 | - |
| 7027 | Powers Lake 27 | 154 | 440,569 | 471,409 | 30,839 | 7.0% | 522,587 | 8,606 | 182.75 | 116 | 22,965 | - |
| 7036 | Burke Central 36 | 111 | 252,431 | 258,742 | 6,311 | 2.5% | 716,179 | 11,889 | 169.20 | 82 | 49,363 | 18,689 |
| 8001 | Bismarck 1 | 11,374 | 34,301,925 | 38,303,146 | 4,001,221 | 11.7% | 42,944,172 | 7,833 | 229.17 | 10,372 | 17,934 | - |
| 8025 | Naughton 25 | 4 | 38,489 | 39,451 | 962 | 2.5% | 53,347 | 30,933 | 167.64 | 3 | 103,417 | - |
| 8028 | Wing 28 | 120 | 333,472 | 356,816 | 23,344 | 7.0% | 351,448 | 7,914 | 141.13 | 90 | 27,003 | - |
| 8029 | Baldwin 29 | 23 | 60,486 | 61,998 | 1,512 | 2.5% | 126,979 | 10,799 | 136.24 | 18 | 51,704 | - |
| 8033 | Menoken 33 | 16 | 20,977 | 21,501 | 524 | 2.5% | 212,139 | 19,470 | 166.26 | 12 | 106,329 | - |
| 8035 | Sterling 35 | 45 | 82,077 | 84,129 | 2,052 | 2.5% | 354,499 | 13,093 | 166.69 | 34 | 63,451 | 22,948 |
| 8039 | Apple Creek 39 | 67 | 188,595 | 193,309 | 4,715 | 2.5% | 212,550 | 8,117 | 89.27 | 50 | 46,358 | - |
| 8045 | Manning 45 | 6 | 22,914 | 23,487 | 573 | 2.5% | 55,426 | 17,536 | 219.94 | 5 | 56,001 | - |
| 9001 | Fargo 1 | 11,291 | 32,106,643 | 34,354,103 | 2,247,460 | 7.0% | 62,202,912 | 9,342 | 278.62 | 10,336 | 21,566 | - |
| 9002 | Kindred 2 | 716 | 2,066,427 | 2,211,075 | 144,649 | 7.0% | 2,243,324 | 6,713 | 169.89 | 664 | 19,892 | - |
| 9004 | Maple Valley 4 | 342 | 862,907 | 912,468 | 49,561 | 5.7% | 1,648,894 | 10,084 | 175.81 | 254 | 36,925 | - |
| 9006 | West Fargo 6 | 6,289 | 17,249,837 | 18,457,358 | 1,207,521 | 7.0% | 23,911,685 | 7,367 | 185.00 | 5,751 | 22,374 | - |
| 9007 | Mapleton 7 | 82 | 265,292 | 271,925 | 6,632 | 2.5% | 475,025 | 12,146 | 140.96 | 62 | 54,796 | - |
| 9017 | Central Cass 17 | 881 | 2,564,733 | 2,744,261 | 179,527 | 7.0% | 2,241,894 | 6,156 | 155.38 | 810 | 17,669 | - |
| 9080 | Page 80 | 127 | 333,952 | 342,301 | 8,348 | 2.5% | 644,206 | 10,439 | 166.76 | 95 | 40,879 | 16,652 |
| 9097 | Northern Cass | 536 | 1,435,497 | 1,535,984 | 100,487 | 7.0% | 1,971,257 | 7,158 | 170.54 | 490 | 23,538 | - |
| 10019 | Munich 19 | 169 | 362,702 | 384,146 | 21,444 | 5.9% | 646,207 | 10,003 | 148.37 | 103 | 42,285 | - |
| 10023 | Langdon Area 23 | 502 | 1,259,216 | 1,347,362 | 88,146 | 7.0% | 2,327,196 | 8,049 | 157.50 | 457 | 32,202 | - |

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 11040 | Ellendale 40 | 404 | 1,180,147 | 1,262,758 | 82,611 | 7.0% | 1,204,878 | 7,101 | 172.55 | 348 | 20,074 | - |
| 11041 | Oakes 41 | 561 | 1,609,625 | 1,722,301 | 112,676 | 7.0% | 1,809,238 | 6,891 | 183.93 | 513 | 19,034 | - |
| 12001 | Divide County 1 | 321 | 913,176 | 936,005 | 22,829 | 2.5% | 1,336,024 | 9,255 | 140.93 | 246 | 36,198 | - |
| 13008 | Dodge 8 | 19 | 69,873 | 71,620 | 1,747 | 2.5% | 151,185 | 15,915 | 185.00 | 14 | 55,248 | - |
| 13016 | Killdeer 16 | 407 | 1,163,769 | 1,245,231 | 81,462 | 7.0% | 1,579,452 | 7,968 | 158.78 | 355 | 26,367 | - |
| 13019 | Halliday 19 | 37 | 83,323 | 85,406 | 2,083 | 2.5% | 353,885 | 15,689 | 171.31 | 28 | 72,732 | - |
| 13037 | Twin Buttes 37 | 57 | 212,494 | 217,807 | 5,312 | 2.5% | 41,901 | 6,258 | - | 42 | 598 | - |
| 14002 | New Rockford-Sheyenn | 492 | 1,534,014 | 1,598,499 | 64,485 | 4.2% | 1,177,094 | 6,616 | 165.00 | 420 | 17,002 | - |
| 15006 | Hazelton-Moffit-Braddoc | 183 | 478,637 | 512,142 | 33,505 | 7.0% | 628,415 | 8,417 | 152.64 | 136 | 30,221 | - |
| 15010 | Bakker 10 | 5 | 192 | 197 | 5 | 2.5% | 115,721 | 28,980 | 101.81 | 4 | 284,160 | - |
| 15015 | Strasburg 15 | 212 | 640,122 | 662,779 | 22,658 | 3.5% | 497,811 | 7,369 | 142.50 | 158 | 21,804 | - |
| 15036 | Linton 36 | 376 | 1,133,780 | 1,213,146 | 79,366 | 7.0% | 941,644 | 6,808 | 171.03 | 317 | 17,396 | - |
| 16049 | Carrington 49 | 662 | 1,900,092 | 2,033,096 | 133,004 | 7.0% | 2,072,890 | 6,843 | 150.67 | 600 | 22,571 | - |
| 17003 | Beach 3 | 354 | 1,109,638 | 1,137,379 | 27,741 | 2.5% | 1,696,826 | 10,050 | 145.42 | 282 | 23,202 | - |
| 17006 | Lone Tree 6 | 44 | 121,740 | 124,783 | 3,043 | 2.5% | 203,482 | 10,258 | 106.68 | 32 | 50,745 | - |
| 18001 | Grand Forks 1 | 7,717 | 23,194,986 | 24,818,596 | 1,623,610 | 7.0% | 34,176,403 | 8,363 | 208.62 | 7,055 | 21,945 | - |
| 18044 | Larimore 44 | 539 | 1,668,670 | 1,922,399 | 253,728 | 15.2% | 1,490,789 | 6,952 | 180.31 | 491 | 16,416 | - |
| 18061 | Thompson 61 | 451 | 1,319,511 | 1,574,232 | 254,721 | 19.3% | 1,174,752 | 6,697 | 178.49 | 411 | 15,976 | - |
| 18125 | Manvel 125 | 209 | 668,903 | 685,625 | 16,723 | 2.5% | 196,446 | 6,278 | 49.61 | 141 | 28,184 | - |
| 18127 | Emerado 127 | 88 | 302,861 | 310,433 | 7,572 | 2.5% | 337,934 | 9,975 | 151.84 | 65 | 34,240 | - |
| 18128 | Midway 128 | 318 | 839,071 | 897,805 | 58,733 | 7.0% | 1,169,996 | 8,406 | 190.97 | 246 | 24,905 | - |
| 18129 | Northwood 129 | 360 | 1,051,886 | 1,125,517 | 73,631 | 7.0% | 1,098,947 | 7,644 | 185.00 | 291 | 20,285 | - |
| 19018 | Roosevelt 18 | 167 | 557,105 | 571,032 | 13,928 | 2.5% | 418,576 | 7,583 | 159.80 | 131 | 19,774 | - |
| 19049 | Elgin-New Leipzig 49 | 220 | 630,643 | 674,789 | 44,145 | 7.0% | 841,241 | 9,272 | 188.24 | 164 | 27,326 | - |
| 20007 | Midkota 7 | 159 | 416,239 | 426,644 | 10,406 | 2.5% | 1,081,194 | 12,778 | 185.00 | 118 | 49,528 | 14,594 |
| 20018 | Griggs County Central 1 | 361 | 1,054,484 | 1,128,298 | 73,814 | 7.0% | 1,209,756 | 8,062 | 190.00 | 290 | 21,851 | - |
| 21001 | Mott-Regent 1 | 309 | 819,844 | 877,233 | 57,389 | 7.0% | 1,055,721 | 8,139 | 144.25 | 238 | 30,787 | - |
| 21009 | New England 9 | 218 | 570,461 | 610,395 | 39,933 | 7.0% | 1,019,363 | 10,029 | 170.50 | 163 | 35,411 | - |
| 22011 | Pettibone-Tuttle 11 | 8 | 16,886 | 17,309 | 422 | 2.5% | 225,379 | 40,448 | 187.48 | 6 | 200,358 | - |
| 22014 | Robinson 14 | 25 | 52,930 | 54,253 | 1,323 | 2.5% | 203,575 | 39,666 | 163.92 | 7 | 191,064 | - |
| 22020 | Tuttle-Pettibone 20 | 31 | 76,804 | 78,725 | 1,920 | 2.5% | 376,162 | 19,778 | 171.40 | 23 | 87,034 | - |
| 22026 | Steele-Dawson 26 | 348 | 965,665 | 1,033,261 | 67,596 | 7.0% | 856,983 | 6,849 | 161.23 | 276 | 18,761 | - |
| 22028 | Tappen 28 | 115 | 363,583 | 374,234 | 10,651 | 2.9% | 352,457 | 8,450 | 195.00 | 86 | 20,942 | 14,349 |
| 23003 | Edgeley 3 | 285 | 813,708 | 870,666 | 56,958 | 7.0% | 961,975 | 8,524 | 156.20 | 215 | 28,630 | - |
| 23007 | Kulm 7 | 159 | 343,179 | 351,757 | 8,579 | 2.5% | 1,006,088 | 11,556 | 170.04 | 118 | 50,342 | 16,421 |
| 23008 | LaMoure 8 | 370 | 1,082,313 | 1,158,073 | 75,761 | 7.0% | 1,091,277 | 7,209 | 148.21 | 312 | 23,106 | - |
| 24002 | Napoleon 2 | 305 | 870,967 | 931,935 | 60,967 | 7.0% | 686,319 | 6,872 | 162.60 | 236 | 17,915 | - |
| 24056 | Gackle 14 | 134 | 291,942 | 299,241 | 7,299 | 2.5% | 700,021 | 9,993 | 141.76 | 100 | 49,381 | - |

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25001 | Velva 1 | 439 | 1,271,061 | 1,360,033 | 88,972 | 7.0% | 1,236,691 | 6,541 | 148.96 | 397 | 20,602 | - |
| 25014 | Anamoose 14 | 103 | 321,662 | 334,395 | 12,733 | 4.0% | 368,185 | 9,124 | 178.81 | 77 | 26,499 | 12,267 |
| 25057 | Drake 57 | 167 | 432,194 | 462,447 | 30,253 | 7.0% | 621,506 | 8,742 | 161.54 | 124 | 31,018 | - |
| 25060 | TGU 60 | 390 | 962,232 | 1,029,591 | 67,358 | 7.0% | 1,847,665 | 8,640 | 153.81 | 333 | 35,841 | - |
| 26004 | Zeeland 4 | 96 | 201,797 | 206,842 | 5,045 | 2.5% | 440,602 | 12,949 | 160.95 | 50 | 54,750 | 19,955 |
| 26009 | Ashley 9 | 190 | 544,140 | 582,228 | 38,089 | 7.0% | 629,197 | 8,561 | 153.21 | 142 | 29,023 | - |
| 26019 | Wishek 19 | 294 | 853,594 | 913,344 | 59,750 | 7.0% | 722,026 | 7,268 | 147.36 | 225 | 21,083 | - |
| 27001 | McKenzie Co 1 | 572 | 1,626,070 | 1,739,894 | 113,824 | 7.0% | 2,682,733 | 8,464 | 145.06 | 523 | 31,590 | - |
| 27002 | Alexander 2 | 83 | 132,395 | 135,706 | 3,310 | 2.5% | 502,492 | 17,019 | 142.04 | 38 | 91,103 | - |
| 27014 | Yellowstone 14 | 110 | 319,512 | 341,878 | 22,366 | 7.0% | 375,409 | 9,255 | 155.27 | 78 | 27,734 | - |
| 27018 | Earl | 19 | 811 | 831 | 20 | 2.5% | 34,223 | 2,921 | - | 12 | 145,064 | - |
| 27032 | Horse Creek 32 | 8 | 288 | 295 | 7 | 2.5% | 108,903 | 18,200 | 46.98 | 6 | 260,049 | - |
| 27036 | Mandaree 36 | 234 | 866,039 | 887,691 | 21,652 | 2.5% | 221,964 | 6,527 | 82.22 | 170 | 12,035 | - |
| 28001 | Montefiore 1 | 281 | 851,354 | 910,949 | 59,596 | 7.0% | 698,705 | 7,557 | 150.71 | 213 | 20,919 | - |
| 28004 | Washburn 4 | 362 | 1,055,150 | 1,121,548 | 66,398 | 6.3% | 957,760 | 6,978 | 139.87 | 298 | 21,774 | - |
| 28008 | Underwood 8 | 275 | 768,455 | 822,246 | 53,791 | 7.0% | 996,815 | 8,745 | 164.09 | 208 | 27,915 | - |
| 28050 | Max 50 | 193 | 587,562 | 625,152 | 37,591 | 6.4% | 631,618 | 8,819 | 171.39 | 143 | 24,907 | - |
| 28051 | Garrison 51 | 389 | 1,072,970 | 1,148,079 | 75,109 | 7.0% | 1,515,578 | 8,084 | 161.98 | 330 | 27,059 | - |
| 28072 | Turtle Lake-Mercer 72 | 215 | 609,173 | 624,402 | 15,229 | 2.5% | 888,005 | 9,453 | 154.38 | 160 | 34,655 | - |
| 28085 | White Shield 85 | 159 | 552,067 | 604,902 | 52,836 | 9.6% | 149,394 | 6,447 | 185.00 | 117 | 5,867 | - |
| 29003 | Hazen 3 | 692 | 2,257,749 | 2,663,998 | 406,249 | 18.0% | 2,006,628 | 7,379 | 185.00 | 633 | 15,208 | - |
| 29020 | Golden Valley 20 | 48 | 137,111 | 140,539 | 3,428 | 2.5% | 288,915 | 11,929 | 170.88 | 36 | 43,758 | 21,572 |
| 29027 | Beulah 27 | 760 | 2,466,849 | 2,528,520 | 61,671 | 2.5% | 2,827,535 | 7,668 | 185.65 | 699 | 19,827 | - |
| 30001 | Mandan 1 | 3,381 | 10,352,574 | 12,845,951 | 2,493,377 | 24.1% | 9,092,100 | 7,040 | 185.00 | 3,116 | 15,528 | - |
| 30004 | Little Heart 4 | 21 | 58,540 | 60,004 | 1,464 | 2.5% | 109,999 | 10,968 | 130.04 | 16 | 54,573 | - |
| 30007 | New Salem 7 | 375 | 1,148,339 | 1,214,571 | 66,232 | 5.8% | 787,808 | 6,277 | 149.15 | 319 | 15,668 | - |
| 30008 | Sims 8 | 25 | 43,884 | 44,981 | 1,097 | 2.5% | 181,996 | 11,946 | 118.51 | 19 | 80,826 | - |
| 30013 | Hebron 13 | 217 | 598,274 | 640,152 | 41,879 | 7.0% | 704,634 | 8,431 | 166.40 | 160 | 26,029 | - |
| 30017 | Sweet Briar 17 | 11 | 27,378 | 28,062 | 684 | 2.5% | 27,106 | 6,896 | 70.99 | 8 | 47,729 | - |
| 30039 | Flasher 39 | 283 | 871,772 | 1,039,124 | 167,352 | 19.2% | 601,050 | 7,647 | 181.55 | 215 | 15,377 | - |
| 30048 | Glen Ullin 48 | 225 | 721,449 | 739,484 | 18,035 | 2.5% | 769,385 | 8,981 | 162.42 | 168 | 27,420 | 6,965 |
| 31001 | New Town 1 | 768 | 2,578,984 | 3,078,391 | 499,407 | 19.4% | 891,763 | 5,704 | 163.90 | 696 | 7,147 | - |
| 31002 | Stanley 2 | 395 | 1,152,392 | 1,233,059 | 80,666 | 7.0% | 1,137,715 | 6,952 | 171.41 | 341 | 19,261 | - |
| 31003 | Parshall 3 | 336 | 930,213 | 1,028,263 | 98,050 | 10.5% | 655,468 | 6,378 | 156.49 | 264 | 15,411 | - |
| 32001 | Dakota Prairie 1 | 341 | 888,092 | 911,143 | 23,052 | 2.6% | 1,805,290 | 10,193 | 185.00 | 267 | 36,617 | 1,948 |
| 32066 | Lakota 66 | 286 | 847,110 | 906,408 | 59,299 | 7.0% | 898,902 | 8,397 | 185.00 | 215 | 22,464 | - |
| 33001 | Center-Stanton 1 | 319 | 1,044,715 | 1,070,834 | 26,119 | 2.5% | 1,283,265 | 9,531 | 174.98 | 247 | 27,402 | - |
| 34006 | Cavalier 6 | 479 | 1,509,169 | 1,555,803 | 46,634 | 3.1% | 1,696,548 | 7,537 | 185.00 | 432 | 21,114 | - |

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 34012 | Valley 12 | 207 | 574,013 | 614,195 | 40,182 | 7.0% | 827,118 | 9,329 | 184.97 | 155 | 27,853 | - |
| 34019 | Drayton 19 | 181 | 415,493 | 425,879 | 10,387 | 2.5% | 1,014,424 | 10,630 | 181.83 | 136 | 41,053 | 14,613 |
| 34043 | St Thomas 43 | 154 | 404,054 | 432,338 | 28,284 | 7.0% | 608,303 | 9,089 | 185.00 | 115 | 28,717 | - |
| 34100 | North Border 100 | 623 | 1,674,017 | 1,791,197 | 117,180 | 7.0% | 2,340,560 | 8,735 | 184.77 | 473 | 26,747 | - |
| 35001 | Wolford 1 | 76 | 199,956 | 204,955 | 4,999 | 2.5% | 326,033 | 11,800 | 191.95 | 45 | 37,735 | 20,001 |
| 35005 | Rugby 5 | 562 | 1,615,759 | 1,728,860 | 113,101 | 7.0% | 2,106,924 | 7,499 | 182.50 | 512 | 22,419 | - |
| 36001 | Devils Lake 1 | 1,848 | 6,351,512 | 8,301,430 | 1,949,918 | 30.7% | 3,651,284 | 7,012 | 185.00 | 1,705 | 11,468 | - |
| 36002 | Edmore 2 | 108 | 161,664 | 165,706 | 4,042 | 2.5% | 700,711 | 10,696 | 143.00 | 81 | 60,479 | - |
| 36044 | Starkweather 44 | 143 | 366,718 | 392,389 | 25,671 | 7.0% | 498,139 | 10,295 | 168.62 | 87 | 34,013 | - |
| 37002 | Sheldon 2 | 27 | 81,589 | 83,629 | 2,040 | 2.5% | 259,806 | 16,753 | 177.36 | 21 | 71,456 | - |
| 37006 | Ft Ransom 6 | 28 | 69,054 | 70,780 | 1,726 | 2.5% | 136,357 | 10,357 | 139.97 | 20 | 48,709 | - |
| 37019 | Lisbon 19 | 696 | 2,111,381 | 2,664,520 | 553,139 | 26.2% | 1,840,735 | 7,056 | 185.00 | 639 | 15,329 | - |
| 37022 | Enderlin 22 | 363 | 1,053,864 | 1,127,635 | 73,771 | 7.0% | 1,313,483 | 8,261 | 181.78 | 296 | 23,570 | - |
| 38001 | Mohall-Lansford-Sherwo | 408 | 1,146,028 | 1,174,676 | 28,649 | 2.5% | 1,827,074 | 9,778 | 147.42 | 307 | 38,840 | - |
| 38026 | Glenburn 26 | 328 | 1,066,205 | 1,092,858 | 26,654 | 2.5% | 677,538 | 6,943 | 147.71 | 255 | 17,227 | - |
| 39008 | Hankinson 8 | 369 | 1,004,805 | 1,075,143 | 70,337 | 7.0% | 1,117,001 | 7,152 | 170.00 | 307 | 21,361 | - |
| 39018 | Fairmount 18 | 159 | 376,914 | 403,298 | 26,384 | 7.0% | 795,349 | 10,073 | 188.08 | 119 | 35,530 | - |
| 39028 | Lidgerwood 28 | 252 | 750,190 | 802,703 | 52,513 | 7.0% | 736,103 | 8,078 | 185.00 | 191 | 20,887 | - |
| 39037 | Wahpeton 37 | 1,411 | 4,338,057 | 5,064,155 | 726,098 | 16.7% | 4,006,151 | 7,026 | 185.00 | 1,291 | 16,747 | - |
| 39042 | Wyndmere 42 | 309 | 827,927 | 885,881 | 57,953 | 7.0% | 1,070,939 | 8,239 | 152.23 | 238 | 29,424 | - |
| 39044 | Richland 44 | 373 | 1,096,305 | 1,173,047 | 76,742 | 7.0% | 1,110,515 | 7,366 | 185.00 | 310 | 19,230 | - |
| 40001 | Dunseith 1 | 606 | 2,148,191 | 2,382,737 | 234,545 | 10.9% | 210,000 | 4,723 | 136.53 | 549 | 2,802 | - |
| 40003 | St John 3 | 367 | 1,252,699 | 1,416,591 | 163,892 | 13.1% | 118,497 | 5,126 | 144.37 | 300 | 2,738 | - |
| 40004 | Mt Pleasant 4 | 322 | 1,044,520 | 1,089,563 | 45,044 | 4.3% | 802,013 | 7,566 | 180.07 | 250 | 17,552 | - |
| 40007 | Belcourt 7 | 1,718 | 6,373,706 | 6,729,642 | 355,936 | 5.6% | - | 4,303 | - | 1,564 | 236 | - |
| 40029 | Rolette 29 | 222 | 690,917 | 722,072 | 31,154 | 4.5% | 579,106 | 7,934 | 185.00 | 164 | 19,080 | - |
| 41002 | Milnor 2 | 353 | 1,069,188 | 1,387,102 | 317,914 | 29.7% | 681,123 | 7,321 | 175.84 | 283 | 13,667 | - |
| 41003 | N Sargent 3 | 291 | 903,429 | 1,105,595 | 202,166 | 22.4% | 571,712 | 7,641 | 177.98 | 220 | 14,571 | - |
| 41006 | Sargent Central 6 | 344 | 877,646 | 939,080 | 61,434 | 7.0% | 1,428,234 | 8,800 | 184.73 | 269 | 28,742 | - |
| 42016 | Goodrich 16 | 55 | 136,931 | 140,354 | 3,423 | 2.5% | 327,015 | 11,399 | 185.00 | 41 | 43,048 | 21,577 |
| 42019 | McClusky 19 | 132 | 351,192 | 375,776 | 24,584 | 7.0% | 493,567 | 8,826 | 174.73 | 99 | 28,494 | 416 |
| 43003 | Solen 3 | 204 | 775,129 | 794,508 | 19,379 | 2.5% | 46,307 | 5,514 | 185.00 | 153 | 1,641 | 5,621 |
| 43004 | Ft Yates 4 | 225 | 985,777 | 1,010,422 | 24,645 | 2.5% | 89,335 | 7,332 | 185.00 | 150 | 3,219 | 355 |
| 43008 | Selfridge 8 | 83 | 74,759 | 79,992 | 5,233 | 7.0% | 244,283 | 7,206 | 183.10 | 45 | 29,648 | 19,767 |
| 44012 | Marmarth 12 | 15 | 802 | 822 | 20 | 2.5% | 130,866 | 13,169 | 30.62 | 10 | 249,312 | - |
| 44032 | Central Elementary 32 | 7 | 200 | 205 | 5 | 2.5% | 118,492 | 21,581 | 28.96 | 6 | 478,587 | - |
| 45001 | Dickinson 1 | 2,763 | 8,731,449 | 10,706,166 | 1,974,717 | 22.6% | 7,247,356 | 7,056 | 185.00 | 2,545 | 15,080 | - |
| 45009 | South Heart 9 | 297 | 961,686 | 985,728 | 24,041 | 2.5% | 589,908 | 6,911 | 146.00 | 228 | 16,685 | - |

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 45013 | Belfield 13 | 270 | 898,490 | 1,147,182 | 248,692 | 27.7% | 476,435 | 7,978 | 185.00 | 204 | 11,554 | - |
| 45034 | Richardton-Taylor 34 | 326 | 999,441 | 1,058,869 | 59,428 | 5.9% | 938,258 | 7,941 | 185.00 | 252 | 19,599 | - |
| 46010 | Hope 10 | 161 | 420,278 | 449,698 | 29,420 | 7.0% | 665,994 | 9,297 | 176.09 | 120 | 31,518 | - |
| 46019 | Finley-Sharon 19 | 226 | 616,777 | 659,950 | 43,173 | 7.0% | 836,771 | 8,883 | 185.00 | 169 | 26,830 | - |
| 47001 | Jamestown 1 | 2,401 | 7,782,988 | 9,019,650 | 1,236,662 | 15.9% | 6,512,612 | 7,049 | 185.00 | 2,204 | 15,766 | - |
| 47003 | Medina 3 | 208 | 597,697 | 639,535 | 41,839 | 7.0% | 678,460 | 8,503 | 169.06 | 155 | 25,076 | - |
| 47010 | Pingree-Buchanan | 205 | 601,482 | 643,585 | 42,103 | 7.0% | 553,896 | 7,827 | 165.92 | 153 | 21,728 | - |
| 47014 | Montpelier 14 | 147 | 411,918 | 440,752 | 28,834 | 7.0% | 499,182 | 8,623 | 185.00 | 109 | 24,498 | - |
| 47019 | Kensal 19 | 81 | 155,845 | 159,741 | 3,896 | 2.5% | 451,090 | 12,594 | 170.00 | 49 | 54,711 | 21,104 |
| 47026 | Spiritwood 26 | 13 | 751 | 769 | 19 | 2.5% | 438,847 | 43,962 | 140.09 | 10 | 313,261 | - |
| 48002 | Bisbee-Egeland 2 | 75 | 170,515 | 174,777 | 4,263 | 2.5% | 639,996 | 14,550 | 176.79 | 56 | 64,644 | 20,737 |
| 48008 | Southern 8 | 267 | 816,397 | 866,460 | 50,062 | 6.1% | 640,852 | 7,555 | 164.12 | 200 | 19,485 | - |
| 48028 | North Central 28 | 102 | 241,616 | 247,656 | 6,040 | 2.5% | 743,016 | 15,979 | 153.82 | 62 | 73,034 | - |
| 49003 | Central Valley 3 | 334 | 904,047 | 967,331 | 63,284 | 7.0% | 1,036,027 | 7,720 | 153.64 | 260 | 25,665 | - |
| 49007 | Hatton 7 | 286 | 857,568 | 926,564 | 68,996 | 8.0% | 815,098 | 8,063 | 203.50 | 216 | 18,544 | - |
| 49009 | Hillsboro 9 | 456 | 1,256,147 | 1,344,080 | 87,932 | 7.0% | 1,820,020 | 7,832 | 178.64 | 404 | 25,024 | - |
| 49014 | May-Port CG 14 | 599 | 1,705,596 | 1,824,991 | 119,395 | 7.0% | 2,162,222 | 7,303 | 185.00 | 546 | 21,236 | - |
| 50003 | Grafton 3 | 1,011 | 3,257,871 | 4,451,241 | 1,193,370 | 36.6% | 1,905,065 | 7,207 | 184.96 | 882 | 11,606 | - |
| 50005 | Fordville-Lankin 5 | 123 | 366,556 | 375,720 | 9,163 | 2.5% | 477,526 | 9,325 | 155.35 | 92 | 33,594 | - |
| 50020 | Minto 20 | 299 | 868,354 | 942,713 | 74,360 | 8.6% | 767,875 | 7,470 | 181.89 | 229 | 18,331 | - |
| 50051 | Nash 51 | 23 | 51,003 | 52,278 | 1,275 | 2.5% | 166,003 | 12,473 | 176.85 | 18 | 53,638 | - |
| 50078 | Park River 78 | 451 | 1,413,319 | 1,772,444 | 359,125 | 25.4% | 1,108,481 | 7,087 | 185.00 | 407 | 14,667 | - |
| 50106 | Edinburg 106 | 161 | 495,844 | 554,615 | 58,771 | 11.9% | 372,592 | 7,759 | 182.25 | 120 | 17,078 | - |
| 50128 | Adams 128 | 83 | 273,567 | 280,407 | 6,839 | 2.5% | 346,992 | 10,119 | 167.26 | 62 | 33,461 | 18,161 |
| 51001 | Minot 1 | 6,805 | 20,811,879 | 22,096,252 | 1,284,372 | 6.2% | 28,538,197 | 8,110 | 185.00 | 6,244 | 19,909 | - |
| 51004 | Nedrose 4 | 229 | 681,492 | 729,197 | 47,705 | 7.0% | 495,917 | 5,698 | 82.45 | 215 | 27,942 | - |
| 51007 | United 7 | 620 | 1,949,567 | 2,446,455 | 496,888 | 25.5% | 1,449,591 | 6,926 | 179.79 | 563 | 14,093 | - |
| 51010 | Bell 10 | 186 | 555,255 | 594,123 | 38,867 | 7.0% | 300,511 | 6,004 | 97.54 | 149 | 20,654 | - |
| 51016 | Sawyer 16 | 174 | 511,395 | 547,193 | 35,798 | 7.0% | 519,405 | 8,268 | 185.00 | 129 | 21,518 | - |
| 51019 | Eureka 19 | 13 | 18,240 | 18,696 | 456 | 2.5% | 55,749 | 7,445 | 53.14 | 10 | 104,868 | - |
| 51028 | Kenmare 28 | 349 | 928,654 | 993,660 | 65,007 | 7.0% | 1,350,206 | 8,446 | 183.18 | 278 | 26,413 | - |
| 51041 | Surrey 41 | 387 | 1,288,555 | 1,546,984 | 258,429 | 20.1% | 589,353 | 6,503 | 156.94 | 329 | 11,223 | - |
| 51070 | S Prairie 70 | 169 | 499,160 | 511,639 | 12,478 | 2.5% | 550,652 | 7,840 | 118.13 | 136 | 34,387 | - |
| 51161 | Lewis and Clark 161 | 481 | 1,250,218 | 1,337,735 | 87,517 | 7.0% | 1,589,828 | 8,043 | 159.62 | 364 | 27,321 | - |
| 52025 | Fessenden-Bowdon 25 | 250 | 551,467 | 565,255 | 13,788 | 2.5% | 1,089,982 | 8,828 | 135.10 | 188 | 43,029 | - |
| 52035 | Pleasant Valley 3 | 20 | 35,857 | 36,754 | 896 | 2.5% | 185,004 | 15,294 | 163.89 | 15 | 77,850 | - |
| 52038 | Harvey 38 | 468 | 1,363,853 | 1,459,322 | 95,469 | 7.0% | 1,670,453 | 7,330 | 175.34 | 427 | 22,028 | - |
| 53001 | Williston 1 | 2,293 | 7,822,472 | 10,379,924 | 2,557,452 | 32.7% | 5,854,227 | 7,747 | 238.41 | 2,096 | 11,197 | - |

Year 1 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 53002 | Nesson 2 | 209 | 600,897 | 642,959 | 42,062 | 7.0% | 790,873 | 9,191 | 185.00 | 156 | 26,377 | - |
| 53006 | Eight Mile 6 | 287 | 1,016,855 | 1,147,536 | 130,680 | 12.9% | 462,769 | 7,387 | 162.42 | 218 | 11,638 | - |
| 53008 | New 8 | 243 | 498,637 | 511,101 | 12,465 | 2.5% | 1,159,860 | 8,680 | 131.99 | 193 | 44,211 | - |
| 53015 | Tioga 15 | 297 | 867,776 | 928,521 | 60,745 | 7.0% | 1,274,781 | 9,706 | 178.33 | 227 | 30,144 | - |
| 53099 | Grenora 99 | 100 | 227,004 | 232,679 | 5,675 | 2.5% | 727,950 | 16,421 | 185.00 | 59 | 66,246 | 19,325 |
| | Statewide | 107,254 | 319,243,991 | 353,888,700 | 34,644,709 | 10.9% | 383,484,248 | 7,891 | 193.01 | 93,446 | 20,853 | 341,787 |
| | Count <> 0 | | | | | | | | | | | |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1013 | Hettinger 13 | 364 | 1,098,833 | 1,185,806 | 86,973 | 7.9% | 1,152,466 | 7,794 | 165.85 | 300 | 22,858 | - |
| 2002 | Valley City 2 | 1,114 | 3,679,985 | 4,177,161 | 497,176 | 13.5% | 3,140,246 | 7,115 | 185.00 | 1,029 | 16,489 | - |
| 2046 | Litchville-Marion 46 | 209 | 545,525 | 547,573 | 2,048 | 0.4% | 1,029,571 | 10,107 | 150.48 | 156 | 43,736 | - |
| 2065 | N Central 65 | 186 | 429,984 | 433,823 | 3,839 | 0.9% | 1,034,215 | 10,524 | 158.16 | 140 | 46,875 | - |
| 2082 | Wimbledon-Courtenay | 190 | 450,062 | 451,337 | 1,275 | 0.3% | 993,137 | 10,245 | 165.13 | 141 | 42,556 | 23,725 |
| 3005 | Minnewaukan 5 | 286 | 849,572 | 1,239,226 | 389,654 | 45.9% | 264,993 | 6,964 | 166.43 | 216 | 7,371 | - |
| 3006 | Leeds 6 | 219 | 609,274 | 688,554 | 79,280 | 13.0% | 758,238 | 8,840 | 158.39 | 164 | 29,027 | - |
| 3009 | Maddock 9 | 238 | 740,076 | 798,606 | 58,530 | 7.9% | 764,284 | 8,805 | 176.75 | 178 | 24,270 | - |
| 3016 | Oberon 16 | 53 | 143,003 | 175,503 | 32,500 | 22.7% | 117,656 | 7,329 | 112.56 | 40 | 26,132 | - |
| 3029 | Warwick 29 | 249 | 886,227 | 1,011,169 | 124,942 | 14.1% | 183,001 | 6,351 | 149.16 | 188 | 6,525 | - |
| 3030 | Ft Totten 30 | 249 | 868,321 | 974,285 | 105,964 | 12.2% | 22,229 | 5,536 | 185.00 | 180 | 668 | - |
| 4001 | Billings Co 1 | 57 | 2,419 | 2,383 | (36) | -1.5% | 1,008,758 | 23,570 | - | 43 | 638,291 | - |
| 5001 | Bottineau 1 | 698 | 2,274,397 | 2,276,334 | 1,936 | 0.1% | 2,291,028 | 7,228 | 145.53 | 632 | 23,713 | - |
| 5017 | Westhope 17 | 174 | 465,755 | 495,074 | 29,319 | 6.3% | 687,866 | 9,502 | 164.68 | 125 | 32,627 | - |
| 5054 | Newburg-United 54 | 110 | 181,774 | 179,204 | (2,571) | -1.4% | 853,654 | 15,416 | 159.31 | 67 | 79,054 | - |
| 6001 | Bowman County 1 | 488 | 1,474,200 | 1,526,138 | 51,938 | 3.5% | 2,543,905 | 9,725 | 151.83 | 419 | 34,818 | - |
| 6033 | Scranton 33 | 212 | 579,011 | 606,266 | 27,256 | 4.7% | 919,298 | 9,636 | 139.17 | 158 | 37,000 | - |
| 7014 | Bowbells 14 | 89 | 223,019 | 226,237 | 3,218 | 1.4% | 569,416 | 12,055 | 156.48 | 66 | 52,486 | - |
| 7027 | Powers Lake 27 | 153 | 440,569 | 489,184 | 48,615 | 11.0% | 522,587 | 8,836 | 182.75 | 115 | 23,166 | - |
| 7036 | Burke Central 36 | 114 | 252,431 | 271,669 | 19,238 | 7.6% | 716,179 | 11,693 | 169.20 | 84 | 47,914 | 5,762 |
| 8001 | Bismarck 1 | 11,592 | 34,301,925 | 41,269,488 | 6,967,563 | 20.3% | 42,944,172 | 7,963 | 229.17 | 10,576 | 17,588 | - |
| 8025 | Naughton 25 | 4 | 38,489 | 40,221 | 1,732 | 4.5% | 53,347 | 31,189 | 167.64 | 3 | 103,417 | - |
| 8028 | Wing 28 | 122 | 333,472 | 377,390 | 43,918 | 13.2% | 351,448 | 8,053 | 141.13 | 91 | 26,705 | - |
| 8029 | Baldwin 29 | 23 | 60,486 | 63,208 | 2,722 | 4.5% | 126,979 | 10,868 | 136.24 | 18 | 51,704 | - |
| 8033 | Menoken 33 | 16 | 20,977 | 21,921 | 944 | 4.5% | 212,139 | 19,505 | 166.26 | 12 | 106,329 | - |
| 8035 | Sterling 35 | 51 | 82,077 | 97,307 | 15,231 | 18.6% | 354,499 | 11,890 | 166.69 | 38 | 55,937 | 9,769 |
| 8039 | Apple Creek 39 | 69 | 188,595 | 201,005 | 12,410 | 6.6% | 212,550 | 8,109 | 89.27 | 51 | 45,449 | - |
| 8045 | Manning 45 | 6 | 22,914 | 23,945 | 1,031 | 4.5% | 55,426 | 17,638 | 219.94 | 5 | 56,001 | - |
| 9001 | Fargo 1 | 11,364 | 32,106,643 | 36,190,234 | 4,083,591 | 12.7% | 62,202,912 | 9,457 | 278.62 | 10,404 | 21,425 | - |
| 9002 | Kindred 2 | 717 | 2,066,427 | 2,317,886 | 251,459 | 12.2% | 2,243,324 | 6,864 | 169.89 | 665 | 19,862 | - |
| 9004 | Maple Valley 4 | 352 | 862,907 | 992,658 | 129,751 | 15.0% | 1,648,894 | 10,121 | 175.81 | 261 | 35,934 | - |
| 9006 | West Fargo 6 | 6,298 | 17,249,837 | 19,349,343 | 2,099,507 | 12.2% | 23,911,685 | 7,511 | 185.00 | 5,760 | 22,339 | - |
| 9007 | Mapleton 7 | 82 | 265,292 | 277,231 | 11,938 | 4.5% | 475,025 | 12,232 | 140.96 | 62 | 54,796 | - |
| 9017 | Central Cass 17 | 915 | 2,564,733 | 2,981,419 | 416,686 | 16.2% | 2,241,894 | 6,211 | 155.38 | 841 | 17,018 | - |
| 9080 | Page 80 | 131 | 333,952 | 359,872 | 25,919 | 7.8% | 644,206 | 10,301 | 166.76 | 97 | 39,633 | - |
| 9097 | Northern Cass | 554 | 1,435,497 | 1,663,314 | 227,817 | 15.9% | 1,971,257 | 7,169 | 170.54 | 507 | 22,749 | - |
| 10019 | Munich 19 | 157 | 362,702 | 353,156 | (9,546) | -2.6% | 646,207 | 10,410 | 148.37 | 96 | 45,368 | - |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10023 | Langdon Area 23 | 481 | 1,259,216 | 1,350,702 | 91,486 | 7.3% | 2,327,196 | 8,416 | 157.50 | 437 | 33,639 | - |
| 11040 | Ellendale 40 | 405 | 1,180,147 | 1,325,234 | 145,087 | 12.3% | 1,204,878 | 7,262 | 172.55 | 348 | 20,021 | - |
| 11041 | Oakes 41 | 584 | 1,609,625 | 1,923,172 | 313,548 | 19.5% | 1,809,238 | 7,003 | 183.93 | 533 | 18,302 | - |
| 12001 | Divide County 1 | 313 | 913,176 | 929,787 | 16,611 | 1.8% | 1,336,024 | 9,496 | 140.93 | 239 | 37,245 | - |
| 13008 | Dodge 8 | 20 | 69,873 | 77,786 | 7,913 | 11.3% | 151,185 | 15,347 | 185.00 | 15 | 51,842 | - |
| 13016 | Killdeer 16 | 403 | 1,163,769 | 1,289,518 | 125,749 | 10.8% | 1,579,452 | 8,258 | 158.78 | 347 | 26,903 | - |
| 13019 | Halliday 19 | 35 | 83,323 | 80,848 | (2,475) | -3.0% | 353,885 | 16,720 | 171.31 | 26 | 78,327 | - |
| 13037 | Twin Buttes 37 | 57 | 212,494 | 219,496 | 7,002 | 3.3% | 41,901 | 6,376 | - | 41 | 605 | - |
| 14002 | New Rockford-Sheyen | 489 | 1,534,014 | 1,641,485 | 107,471 | 7.0% | 1,177,094 | 6,759 | 165.00 | 417 | 17,104 | - |
| 15006 | Hazelton-Moffit-Braddo | 178 | 478,637 | 522,356 | 43,719 | 9.1% | 628,415 | 8,718 | 152.64 | 132 | 31,023 | - |
| 15010 | Bakker 10 | 5 | 192 | 201 | 9 | 4.5% | 115,721 | 28,980 | 101.81 | 4 | 284,160 | - |
| 15015 | Strasburg 15 | 201 | 640,122 | 635,235 | (4,887) | -0.8% | 497,811 | 7,579 | 142.50 | 150 | 22,970 | - |
| 15036 | Linton 36 | 366 | 1,133,780 | 1,227,156 | 93,376 | 8.2% | 941,644 | 7,217 | 171.03 | 301 | 18,322 | - |
| 16049 | Carrington 49 | 690 | 1,900,092 | 2,216,309 | 316,216 | 16.6% | 2,072,890 | 6,863 | 150.67 | 625 | 21,668 | - |
| 17003 | Beach 3 | 360 | 1,109,638 | 1,177,644 | 68,006 | 6.1% | 1,696,826 | 9,933 | 145.42 | 289 | 22,608 | - |
| 17006 | Lone Tree 6 | 42 | 121,740 | 121,670 | (69) | -0.1% | 203,482 | 10,640 | 106.68 | 31 | 53,137 | - |
| 18001 | Grand Forks 1 | 7,768 | 23,194,986 | 26,054,298 | 2,859,312 | 12.3% | 34,176,403 | 8,481 | 208.62 | 7,102 | 21,798 | - |
| 18044 | Larimore 44 | 523 | 1,668,670 | 1,885,202 | 216,531 | 13.0% | 1,490,789 | 7,078 | 180.31 | 477 | 16,898 | - |
| 18061 | Thompson 61 | 454 | 1,319,511 | 1,660,537 | 341,026 | 25.8% | 1,174,752 | 6,865 | 178.49 | 413 | 15,879 | - |
| 18125 | Manvel 125 | 212 | 668,903 | 710,897 | 41,994 | 6.3% | 196,446 | 6,345 | 49.61 | 143 | 27,691 | - |
| 18127 | Emerado 127 | 85 | 302,861 | 306,855 | 3,993 | 1.3% | 337,934 | 10,235 | 151.84 | 63 | 35,327 | - |
| 18128 | Midway 128 | 320 | 839,071 | 947,208 | 108,137 | 12.9% | 1,169,996 | 8,503 | 190.97 | 249 | 24,605 | - |
| 18129 | Northwood 129 | 357 | 1,051,886 | 1,168,063 | 116,177 | 11.0% | 1,098,947 | 7,899 | 185.00 | 287 | 20,568 | - |
| 19018 | Roosevelt 18 | 154 | 557,105 | 537,996 | (19,108) | -3.4% | 418,576 | 8,282 | 159.80 | 116 | 22,342 | - |
| 19049 | Elgin-New Leipzig 49 | 222 | 630,643 | 714,907 | 84,263 | 13.4% | 841,241 | 9,403 | 188.24 | 166 | 26,996 | - |
| 20007 | Midkota 7 | 153 | 416,239 | 420,315 | 4,076 | 1.0% | 1,081,194 | 13,171 | 185.00 | 114 | 51,266 | 20,924 |
| 20018 | Griggs County Central | 359 | 1,054,484 | 1,173,015 | 118,531 | 11.2% | 1,209,756 | 8,274 | 190.00 | 288 | 22,003 | - |
| 21001 | Mott-Regent 1 | 292 | 819,844 | 852,718 | 32,875 | 4.0% | 1,055,721 | 8,577 | 144.25 | 223 | 32,863 | - |
| 21009 | New England 9 | 206 | 570,461 | 563,314 | (7,148) | -1.3% | 1,019,363 | 10,311 | 170.50 | 154 | 37,488 | 32,148 |
| 22011 | Pettibone-Tuttle 11 | 8 | 16,886 | 17,646 | 760 | 4.5% | 225,379 | 40,504 | 187.48 | 6 | 200,358 | - |
| 22014 | Robinson 14 | 25 | 52,930 | 55,312 | 2,382 | 4.5% | 203,575 | 39,829 | 163.92 | 7 | 191,064 | - |
| 22020 | Tuttle-Pettibone 20 | 29 | 76,804 | 76,796 | (8) | 0.0% | 376,162 | 20,589 | 171.40 | 22 | 90,990 | - |
| 22026 | Steele-Dawson 26 | 348 | 965,665 | 1,081,544 | 115,879 | 12.0% | 856,983 | 7,024 | 161.23 | 276 | 18,761 | - |
| 22028 | Tappen 28 | 113 | 363,583 | 379,447 | 15,863 | 4.4% | 352,457 | 8,672 | 195.00 | 84 | 21,339 | 9,137 |
| 23003 | Edgeley 3 | 278 | 813,708 | 888,731 | 75,023 | 9.2% | 961,975 | 8,830 | 156.20 | 210 | 29,367 | - |
| 23007 | Kulm 7 | 156 | 343,179 | 351,311 | 8,133 | 2.4% | 1,006,088 | 11,797 | 170.04 | 115 | 51,409 | 16,867 |
| 23008 | LaMoure 8 | 365 | 1,082,313 | 1,178,358 | 96,045 | 8.9% | 1,091,277 | 7,515 | 148.21 | 302 | 23,871 | - |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 24002 | Napoleon 2 | 309 | 870,967 | 985,804 | 114,837 | 13.2% | 686,319 | 7,026 | 162.60 | 238 | 17,726 | - |
| 24056 | Gackle 14 | 132 | 291,942 | 299,039 | 7,097 | 2.4% | 700,021 | 10,194 | 141.76 | 98 | 50,388 | - |
| 25001 | Velva 1 | 435 | 1,271,061 | 1,412,135 | 141,074 | 11.1% | 1,236,691 | 6,774 | 148.96 | 391 | 20,918 | - |
| 25014 | Anamoose 14 | 102 | 321,662 | 340,942 | 19,280 | 6.0% | 368,185 | 9,331 | 178.81 | 76 | 26,848 | 5,720 |
| 25057 | Drake 57 | 169 | 432,194 | 490,623 | 58,429 | 13.5% | 621,506 | 8,847 | 161.54 | 126 | 30,599 | - |
| 25060 | TGU 60 | 395 | 962,232 | 1,093,300 | 131,068 | 13.6% | 1,847,665 | 8,625 | 153.81 | 341 | 35,001 | - |
| 26004 | Zeeland 4 | 96 | 201,797 | 211,869 | 10,072 | 5.0% | 440,602 | 13,208 | 160.95 | 49 | 55,415 | 14,928 |
| 26009 | Ashley 9 | 187 | 544,140 | 592,339 | 48,199 | 8.9% | 629,197 | 8,757 | 153.21 | 140 | 29,439 | - |
| 26019 | Wishek 19 | 295 | 853,594 | 895,613 | 42,020 | 4.9% | 722,026 | 7,160 | 147.36 | 226 | 20,997 | - |
| 27001 | McKenzie Co 1 | 556 | 1,626,070 | 1,677,339 | 51,269 | 3.2% | 2,682,733 | 8,591 | 145.06 | 508 | 32,524 | - |
| 27002 | Alexander 2 | 85 | 132,395 | 140,597 | 8,202 | 6.2% | 502,492 | 16,600 | 142.04 | 39 | 88,187 | - |
| 27014 | Yellowstone 14 | 106 | 319,512 | 340,188 | 20,676 | 6.5% | 375,409 | 9,605 | 155.27 | 75 | 28,851 | - |
| 27018 | Earl | 19 | 811 | 847 | 37 | 4.5% | 34,223 | 2,923 | - | 12 | 145,064 | - |
| 27032 | Horse Creek 32 | 8 | 288 | 301 | 13 | 4.5% | 108,903 | 18,201 | 46.98 | 6 | 260,049 | - |
| 27036 | Mandaree 36 | 230 | 866,039 | 889,518 | 23,479 | 2.7% | 221,964 | 6,656 | 82.22 | 167 | 12,252 | - |
| 28001 | Montefiore 1 | 273 | 851,354 | 898,768 | 47,414 | 5.6% | 698,705 | 7,717 | 150.71 | 207 | 21,525 | - |
| 28004 | Washburn 4 | 358 | 1,055,150 | 1,117,766 | 62,616 | 5.9% | 957,760 | 7,182 | 139.87 | 289 | 22,452 | - |
| 28008 | Underwood 8 | 271 | 768,455 | 850,361 | 81,906 | 10.7% | 996,815 | 8,989 | 164.09 | 206 | 28,255 | - |
| 28050 | Max 50 | 187 | 587,562 | 627,883 | 40,322 | 6.9% | 631,618 | 9,094 | 171.39 | 139 | 25,626 | - |
| 28051 | Garrison 51 | 381 | 1,072,970 | 1,176,488 | 103,519 | 9.6% | 1,515,578 | 8,426 | 161.98 | 320 | 27,905 | - |
| 28072 | Turtle Lake-Mercer 72 | 210 | 609,173 | 622,511 | 13,338 | 2.2% | 888,005 | 9,656 | 154.38 | 156 | 35,444 | - |
| 28085 | White Shield 85 | 163 | 552,067 | 640,148 | 88,081 | 16.0% | 149,394 | 6,555 | 185.00 | 120 | 5,700 | - |
| 29003 | Hazen 3 | 665 | 2,257,749 | 2,565,701 | 307,952 | 13.6% | 2,006,628 | 7,520 | 185.00 | 608 | 15,833 | - |
| 29020 | Golden Valley 20 | 44 | 137,111 | 131,410 | (5,701) | -4.2% | 288,915 | 12,737 | 170.88 | 33 | 47,736 | 30,701 |
| 29027 | Beulah 27 | 732 | 2,466,849 | 2,482,842 | 15,993 | 0.6% | 2,827,535 | 7,896 | 185.65 | 673 | 20,594 | 9,007 |
| 30001 | Mandan 1 | 3,312 | 10,352,574 | 12,773,409 | 2,420,835 | 23.4% | 9,092,100 | 7,167 | 185.00 | 3,051 | 15,859 | - |
| 30004 | Little Heart 4 | 21 | 58,540 | 61,174 | 2,634 | 4.5% | 109,999 | 11,043 | 130.04 | 16 | 54,573 | - |
| 30007 | New Salem 7 | 368 | 1,148,339 | 1,209,604 | 61,265 | 5.3% | 787,808 | 6,402 | 149.15 | 312 | 16,020 | - |
| 30008 | Sims 8 | 25 | 43,884 | 45,859 | 1,975 | 4.5% | 181,996 | 11,992 | 118.51 | 19 | 80,826 | - |
| 30013 | Hebron 13 | 213 | 598,274 | 656,588 | 58,315 | 9.7% | 704,634 | 8,713 | 166.40 | 156 | 26,575 | - |
| 30017 | Sweet Briar 17 | 11 | 27,378 | 28,610 | 1,232 | 4.5% | 27,106 | 6,965 | 70.99 | 8 | 47,729 | - |
| 30039 | Flasher 39 | 286 | 871,772 | 1,095,721 | 223,949 | 25.7% | 601,050 | 7,760 | 181.55 | 219 | 15,085 | - |
| 30048 | Glen Ullin 48 | 220 | 721,449 | 738,366 | 16,917 | 2.3% | 769,385 | 9,194 | 162.42 | 164 | 28,089 | 8,083 |
| 31001 | New Town 1 | 785 | 2,578,984 | 3,218,513 | 639,529 | 24.8% | 891,763 | 5,773 | 163.90 | 712 | 6,986 | - |
| 31002 | Stanley 2 | 392 | 1,152,392 | 1,279,875 | 127,482 | 11.1% | 1,137,715 | 7,217 | 171.41 | 335 | 19,606 | - |
| 31003 | Parshall 3 | 331 | 930,213 | 1,043,752 | 113,538 | 12.2% | 655,468 | 6,586 | 156.49 | 258 | 15,770 | - |
| 32001 | Dakota Prairie 1 | 342 | 888,092 | 954,571 | 66,480 | 7.5% | 1,805,290 | 10,337 | 185.00 | 267 | 36,548 | - |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 32066 | Lakota 66 | 277 | 847,110 | 918,336 | 71,227 | 8.4% | 898,902 | 8,737 | 185.00 | 208 | 23,220 | - |
| 33001 | Center-Stanton 1 | 334 | 1,044,715 | 1,141,044 | 96,330 | 9.2% | 1,283,265 | 9,389 | 174.98 | 258 | 26,214 | - |
| 34006 | Cavalier 6 | 468 | 1,509,169 | 1,568,668 | 59,499 | 3.9% | 1,696,548 | 7,757 | 185.00 | 421 | 21,642 | - |
| 34012 | Valley 12 | 203 | 574,013 | 630,461 | 56,448 | 9.8% | 827,118 | 9,621 | 184.97 | 152 | 28,405 | - |
| 34019 | Drayton 19 | 186 | 415,493 | 455,554 | 40,062 | 9.6% | 1,014,424 | 10,575 | 181.83 | 139 | 40,019 | - |
| 34043 | St Thomas 43 | 151 | 404,054 | 444,704 | 40,650 | 10.1% | 608,303 | 9,360 | 185.00 | 113 | 29,228 | - |
| 34100 | North Border 100 | 638 | 1,674,017 | 1,918,224 | 244,207 | 14.6% | 2,340,560 | 8,795 | 184.77 | 484 | 26,126 | - |
| 35001 | Wolford 1 | 71 | 199,956 | 197,802 | (2,154) | -1.1% | 326,033 | 12,274 | 191.95 | 43 | 39,786 | 27,154 |
| 35005 | Rugby 5 | 546 | 1,615,759 | 1,760,540 | 144,781 | 9.0% | 2,106,924 | 7,774 | 182.50 | 498 | 23,050 | - |
| 36001 | Devils Lake 1 | 1,888 | 6,351,512 | 8,777,204 | 2,425,692 | 38.2% | 3,651,284 | 7,135 | 185.00 | 1,742 | 11,221 | - |
| 36002 | Edmore 2 | 106 | 161,664 | 164,780 | 3,116 | 1.9% | 700,711 | 10,956 | 143.00 | 79 | 62,010 | - |
| 36044 | Starkweather 44 | 140 | 366,718 | 401,262 | 34,544 | 9.4% | 498,139 | 10,644 | 168.62 | 85 | 34,818 | - |
| 37002 | Sheldon 2 | 28 | 81,589 | 87,350 | 5,761 | 7.1% | 259,806 | 16,531 | 177.36 | 21 | 69,755 | - |
| 37006 | Ft Ransom 6 | 27 | 69,054 | 70,921 | 1,867 | 2.7% | 136,357 | 10,554 | 139.97 | 20 | 49,602 | - |
| 37019 | Lisbon 19 | 684 | 2,111,381 | 2,665,900 | 554,518 | 26.3% | 1,840,735 | 7,182 | 185.00 | 628 | 15,598 | - |
| 37022 | Enderlin 22 | 362 | 1,053,864 | 1,177,436 | 123,572 | 11.7% | 1,313,483 | 8,465 | 181.78 | 294 | 23,671 | - |
| 38001 | Mohall-Lansford-Sherw | 412 | 1,146,028 | 1,207,660 | 61,632 | 5.4% | 1,827,074 | 9,801 | 147.42 | 310 | 38,509 | - |
| 38026 | Glenburn 26 | 331 | 1,066,205 | 1,126,313 | 60,109 | 5.6% | 677,538 | 6,997 | 147.71 | 258 | 17,040 | - |
| 39008 | Hankinson 8 | 365 | 1,004,805 | 1,111,639 | 106,834 | 10.6% | 1,117,001 | 7,466 | 170.00 | 299 | 21,934 | - |
| 39018 | Fairmount 18 | 163 | 376,914 | 432,764 | 55,850 | 14.8% | 795,349 | 10,067 | 188.08 | 122 | 34,656 | - |
| 39028 | Lidgerwood 28 | 247 | 750,190 | 822,558 | 72,367 | 9.6% | 736,103 | 8,402 | 185.00 | 186 | 21,450 | - |
| 39037 | Wahpeton 37 | 1,376 | 4,338,057 | 4,992,348 | 654,291 | 15.1% | 4,006,151 | 7,153 | 185.00 | 1,258 | 17,187 | - |
| 39042 | Wyndmere 42 | 307 | 827,927 | 919,932 | 92,004 | 11.1% | 1,070,939 | 8,450 | 152.23 | 236 | 29,662 | - |
| 39044 | Richland 44 | 371 | 1,096,305 | 1,219,081 | 122,776 | 11.2% | 1,110,515 | 7,605 | 185.00 | 306 | 19,461 | - |
| 40001 | Dunseith 1 | 629 | 2,148,191 | 2,533,838 | 385,646 | 18.0% | 210,000 | 4,814 | 136.53 | 570 | 2,698 | - |
| 40003 | St John 3 | 371 | 1,252,699 | 1,475,619 | 222,920 | 17.8% | 118,497 | 5,159 | 144.37 | 309 | 2,653 | - |
| 40004 | Mt Pleasant 4 | 318 | 1,044,520 | 1,099,424 | 54,904 | 5.3% | 802,013 | 7,729 | 180.07 | 246 | 17,837 | - |
| 40007 | Belcourt 7 | 1,764 | 6,373,706 | 7,101,767 | 728,061 | 11.4% | - | 4,419 | - | 1,607 | 230 | - |
| 40029 | Rolette 29 | 221 | 690,917 | 741,251 | 50,334 | 7.3% | 579,106 | 8,102 | 185.00 | 163 | 19,202 | - |
| 41002 | Milnor 2 | 360 | 1,069,188 | 1,486,854 | 417,666 | 39.1% | 681,123 | 7,399 | 175.84 | 293 | 13,178 | - |
| 41003 | N Sargent 3 | 301 | 903,429 | 1,194,976 | 291,546 | 32.3% | 571,712 | 7,791 | 177.98 | 227 | 14,105 | - |
| 41006 | Sargent Central 6 | 345 | 877,646 | 986,594 | 108,947 | 12.4% | 1,428,234 | 8,944 | 184.73 | 270 | 28,635 | - |
| 42016 | Goodrich 16 | 54 | 136,931 | 139,633 | 2,702 | 2.0% | 327,015 | 11,666 | 185.00 | 40 | 44,124 | 22,298 |
| 42019 | McClusky 19 | 131 | 351,192 | 389,344 | 38,152 | 10.9% | 493,567 | 9,056 | 174.73 | 98 | 28,786 | - |
| 43003 | Solen 3 | 221 | 775,129 | 876,289 | 101,160 | 13.1% | 46,307 | 5,591 | 185.00 | 165 | 1,517 | - |
| 43004 | Ft Yates 4 | 210 | 985,777 | 962,789 | (22,988) | -2.3% | 89,335 | 7,569 | 185.00 | 139 | 3,474 | 47,988 |
| 43008 | Selfridge 8 | 79 | 74,759 | 73,784 | (975) | -1.3% | 244,283 | 6,914 | 183.10 | 46 | 29,003 | 25,975 |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Min Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 44012 | Marmarth 12 | 15 | 802 | 838 | 36 | 4.5% | 130,866 | 13,170 | 30.62 | 10 | 249,312 | - |
| 44032 | Central Elementary 32 | 7 | 200 | 209 | 9 | 4.5% | 118,492 | 21,582 | 28.96 | 6 | 478,587 | - |
| 45001 | Dickinson 1 | 2,702 | 8,731,449 | 10,619,410 | 1,887,960 | 21.6% | 7,247,356 | 7,183 | 185.00 | 2,488 | 15,426 | - |
| 45009 | South Heart 9 | 292 | 961,686 | 988,573 | 26,887 | 2.8% | 589,908 | 7,038 | 146.00 | 224 | 16,962 | - |
| 45013 | Belfield 13 | 265 | 898,490 | 1,145,420 | 246,930 | 27.5% | 476,435 | 8,171 | 185.00 | 199 | 11,845 | - |
| 45034 | Richardton-Taylor 34 | 320 | 999,441 | 1,074,747 | 75,306 | 7.5% | 938,258 | 8,200 | 185.00 | 246 | 20,079 | - |
| 46010 | Hope 10 | 164 | 420,278 | 478,478 | 58,200 | 13.8% | 665,994 | 9,381 | 176.09 | 122 | 31,001 | - |
| 46019 | Finley-Sharon 19 | 219 | 616,777 | 668,339 | 51,562 | 8.4% | 836,771 | 9,234 | 185.00 | 163 | 27,735 | - |
| 47001 | Jamestown 1 | 2,379 | 7,782,988 | 9,149,174 | 1,366,186 | 17.6% | 6,512,612 | 7,174 | 185.00 | 2,183 | 15,914 | - |
| 47003 | Medina 3 | 205 | 597,697 | 660,792 | 63,096 | 10.6% | 678,460 | 8,753 | 169.06 | 153 | 25,404 | - |
| 47010 | Pingree-Buchanan | 201 | 601,482 | 660,531 | 59,049 | 9.8% | 553,896 | 8,096 | 165.92 | 150 | 22,162 | - |
| 47014 | Montpelier 14 | 141 | 411,918 | 443,150 | 31,232 | 7.6% | 499,182 | 9,004 | 185.00 | 105 | 25,513 | - |
| 47019 | Kensal 19 | 81 | 155,845 | 163,400 | 7,555 | 4.8% | 451,090 | 12,802 | 170.00 | 48 | 55,281 | 17,445 |
| 47026 | Spiritwood 26 | 13 | 751 | 784 | 34 | 4.5% | 438,847 | 43,963 | 140.09 | 10 | 313,261 | - |
| 48002 | Bisbee-Egeland 2 | 74 | 170,515 | 175,058 | 4,543 | 2.7% | 639,996 | 14,819 | 176.79 | 55 | 65,820 | 20,457 |
| 48008 | Southern 8 | 262 | 816,397 | 879,506 | 63,108 | 7.7% | 640,852 | 7,757 | 164.12 | 196 | 19,833 | - |
| 48028 | North Central 28 | 96 | 241,616 | 236,214 | (5,401) | -2.2% | 743,016 | 16,883 | 153.82 | 58 | 78,071 | - |
| 49003 | Central Valley 3 | 327 | 904,047 | 991,186 | 87,139 | 9.6% | 1,036,027 | 7,981 | 153.64 | 254 | 26,221 | - |
| 49007 | Hatton 7 | 276 | 857,568 | 926,631 | 69,063 | 8.1% | 815,098 | 8,382 | 203.50 | 208 | 19,275 | - |
| 49009 | Hillsboro 9 | 457 | 1,256,147 | 1,410,247 | 154,100 | 12.3% | 1,820,020 | 7,976 | 178.64 | 405 | 24,962 | - |
| 49014 | May-Port CG 14 | 595 | 1,705,596 | 1,898,047 | 192,450 | 11.3% | 2,162,222 | 7,485 | 185.00 | 542 | 21,374 | - |
| 50003 | Grafton 3 | 1,030 | 3,257,871 | 4,686,960 | 1,429,089 | 43.9% | 1,905,065 | 7,333 | 184.96 | 899 | 11,386 | - |
| 50005 | Fordville-Lankin 5 | 123 | 366,556 | 387,490 | 20,934 | 5.7% | 477,526 | 9,402 | 155.35 | 92 | 33,412 | - |
| 50020 | Minto 20 | 301 | 868,354 | 1,002,853 | 134,499 | 15.5% | 767,875 | 7,632 | 181.89 | 232 | 18,094 | - |
| 50051 | Nash 51 | 24 | 51,003 | 54,211 | 3,208 | 6.3% | 166,003 | 12,372 | 176.85 | 18 | 52,734 | - |
| 50078 | Park River 78 | 457 | 1,413,319 | 1,862,533 | 449,214 | 31.8% | 1,108,481 | 7,213 | 185.00 | 412 | 14,474 | - |
| 50106 | Edinburg 106 | 159 | 495,844 | 562,502 | 66,658 | 13.4% | 372,592 | 7,911 | 182.25 | 118 | 17,266 | - |
| 50128 | Adams 128 | 89 | 273,567 | 308,938 | 35,370 | 12.9% | 346,992 | 9,790 | 167.26 | 67 | 30,964 | - |
| 51001 | Minot 1 | 6,737 | 20,811,879 | 22,595,541 | 1,783,662 | 8.6% | 28,538,197 | 8,275 | 185.00 | 6,179 | 20,117 | - |
| 51004 | Nedrose 4 | 230 | 681,492 | 763,671 | 82,178 | 12.1% | 495,917 | 5,855 | 82.45 | 215 | 27,926 | - |
| 51007 | United 7 | 611 | 1,949,567 | 2,460,818 | 511,251 | 26.2% | 1,449,591 | 7,052 | 179.79 | 555 | 14,297 | - |
| 51010 | Bell 10 | 182 | 555,255 | 609,348 | 54,093 | 9.7% | 300,511 | 6,232 | 97.54 | 146 | 21,078 | - |
| 51016 | Sawyer 16 | 172 | 511,395 | 566,639 | 55,245 | 10.8% | 519,405 | 8,511 | 185.00 | 128 | 21,754 | - |
| 51019 | Eureka 19 | 13 | 18,240 | 19,060 | 821 | 4.5% | 55,749 | 7,481 | 53.14 | 10 | 104,868 | - |
| 51028 | Kenmare 28 | 352 | 928,654 | 1,048,679 | 120,025 | 12.9% | 1,350,206 | 8,574 | 183.18 | 280 | 26,196 | - |
| 51041 | Surrey 41 | 380 | 1,288,555 | 1,551,089 | 262,534 | 20.4% | 589,353 | 6,637 | 156.94 | 323 | 11,431 | - |
| 51070 | S Prairie 70 | 167 | 499,160 | 514,076 | 14,916 | 3.0% | 550,652 | 8,065 | 118.13 | 132 | 35,293 | - |

Year 2 Projection

| CoDist | Dname | wsu | 2006-07 Net Entitlement | Net New Formula | Change from Base Year | Percent | Local $ (Tuition, County, Prop Tax) | Total State/Local $ Per ADM | GF Levy | ADM | Imputed TaxValPP | Mln Guarantee @ 75% Imputed Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 51161 | Lewis and Clark 161 | 473 | 1,250,218 | 1,377,273 | 127,055 | 10.2% | 1,589,828 | 8,288 | 159.62 | 358 | 27,779 | - |
| 52025 | Fessenden-Bowdon 25 | 238 | 551,467 | 548,626 | (2,841) | -0.5% | 1,089,982 | 9,258 | 135.10 | 177 | 45,582 | - |
| 52035 | Pleasant Valley 3 | 19 | 35,857 | 34,974 | (883) | -2.5% | 185,004 | 16,295 | 163.89 | 14 | 83,617 | - |
| 52038 | Harvey 38 | 443 | 1,363,853 | 1,445,544 | 81,691 | 6.0% | 1,670,453 | 7,717 | 175.34 | 404 | 23,296 | - |
| 53001 | Williston 1 | 2,259 | 7,822,472 | 10,415,827 | 2,593,355 | 33.2% | 5,854,227 | 7,885 | 238.41 | 2,064 | 11,370 | - |
| 53002 | Nesson 2 | 207 | 600,897 | 665,981 | 65,084 | 10.8% | 790,873 | 9,438 | 185.00 | 154 | 26,657 | - |
| 53006 | Eight Mile 6 | 285 | 1,016,855 | 1,167,011 | 150,155 | 14.8% | 462,769 | 7,559 | 162.42 | 216 | 11,768 | - |
| 53008 | New 8 | 239 | 498,637 | 513,039 | 14,402 | 2.9% | 1,159,860 | 8,828 | 131.99 | 190 | 44,911 | - |
| 53015 | Tioga 15 | 292 | 867,776 | 954,847 | 87,071 | 10.0% | 1,274,781 | 9,998 | 178.33 | 223 | 30,685 | - |
| 53099 | Grenora 99 | 100 | 227,004 | 237,219 | 10,215 | 4.5% | 727,950 | 16,499 | 185.00 | 59 | 66,246 | 14,785 |
| | Statewide | 107,028 | 319,243,991 | 365,888,700 | 46,644,709 | 14.6% | 383,484,248 | 8,037 | 193.01 | 93,241 | 20,853 | 362,873 |
| | Count <> 0 | | | | | | | | | | | |

**LETTER OPINION**
**2005-L-06**

February 4, 2005

The Honorable Wayne G. Sanstead
Superintendent of Public Instruction
600 E Boulevard Ave.
Bismarck, ND 58505

Dear Superintendent Sanstead:

Thank you for asking whether payments made by a school district receiving impact aid to a school district that admits its students may be classified as a "tuition payment" as that term is used in N.D.C.C. § 15.1-27-11(1)(b). In addition, you ask whether an admitting school district must charge tuition based upon the formula outlined in N.D.C.C. § 15.1-29-12, or whether the school districts are free to negotiate a different tuition rate. For the reasons stated below, it is my opinion that payments made by school districts receiving impact aid to a school district that admits its students must be classified as a "tuition payment." Further, military installation school districts may negotiate a tuition rate, but all other districts must calculate the tuition rate pursuant to the formula set out in N.D.C.C. § 15.1-29-12.

ANALYSIS

Impact aid is a federal program that provides funding for a portion of the educational costs of federally-connected students. See 20 U.S.C. 7701 *et seq.*, 34 C.F.R. 222.1 *et seq.* Funding is sent from the federal government directly to local educational agencies (LEA), i.e., school districts, that qualify for this program. Some LEA's forward a portion or all of their impact aid funds to neighboring school districts for the education of the LEA's students.

You question whether the payments made by the LEA's to the admitting districts should be viewed as impact aid or tuition payments. If the amounts are impact aid, they could not be considered by the state when calculating state aid. See 20 U.S.C. § 7709 and N.D.A.G. 2004-L-63. If the amounts are tuition, however, the amounts are considered when calculating state aid. See N.D.C.C. § 15.1-27-11(1)(b).

I was unable to find any federal law or regulation that governs the use of impact aid funds once those funds have been paid out by an LEA. In addition, a member of my staff spoke with an attorney at the United States Department of Education who

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confirmed that he knew of no law, regulation or policy on point.[1] Because there appears to be no federal directive relating to these funds once the funds are paid out by an LEA, state law is applicable.

There are three statutes that relate to providing education for nonresident students. The first is N.D.C.C. § 15.1-29-09 which states:

> An admitting district may accept payments under title 1 of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 *et seq.*] as tuition for a nonresident student if:
>
> 1. The student's parent is employed on an installation owned by the federal government;
>
> 2. The student's parent resides on an installation owned by the federal government; and
>
> 3. The boards of the student's school district of residence and the admitting district agree to accept the payments in lieu of other tuition for the nonresident student.

N.D.C.C. § 15.1-29-09 (emphasis added).

"[T]itle 1 of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 *et seq.*]," as referenced in this statute, was the law that first established impact aid. This law has since been repealed and impact aid legislation is now found at 20 U.S.C. 7701 *et seq.*, and 34 C.F.R. 222.1 *et seq*. The money accepted by the admitting district is accepted "as tuition." N.D.C.C. § 15.1-29-09.

The second section is N.D.C.C. § 15.1-29-13(1)(a), which states, in part, " . . . the board of a school district that admits a nonresident student shall charge and collect tuition for the student" (emphasis added). Section 15.1-29-12, N.D.C.C., requires the sending school district to pay as tuition "the full cost of education incurred by the admitting district" and sets out a formula for calculating that tuition.

The third section is N.D.C.C. § 15.1-08-04(3), which directs a military installation school district to "[c]ontract for the provision of education to the students residing in the district." It is reasonable to conclude that any consideration paid under this contract represents "the cost of education incurred by the admitting district" or "tuition." See N.D.C.C. § 15.1-29-12.

[1] Telephone call with Mark Smith, Attorney, U.S. Dept. of Ed., (Jan. 6, 2005).

While N.D.C.C. § 15.1-27-11(1)(b) does not define the phrase "tuition payments" it is reasonable to conclude that it is referencing tuition payments as calculated under N.D.C.C. §§ 15.1-29-12, 15.1-29-09 or 15.1-08-04(3) because no other type of tuition is statutorily authorized to be charged by a school district admitting nonresident students. See generally, N.D.C.C. title 15.1. Therefore, regardless of whether the tuition is paid pursuant to N.D.C.C. §§ 15.1-29-12, 15.1-29-09 or 15.1-08-04(3), the amount paid by an LEA to an admitting district is a "tuition payment" as that phrase is used in N.D.C.C. § 15.1-27-11(1)(b).

It is interesting to note that the department of public instruction (DPI) traditionally has not viewed the amount paid by a military installation school district to an admitting district as regular tuition. In 1989, Al Koppang, former Director of School Finance at DPI, testified on the bill authorizing military installation school districts. In explaining the relationship between the Air Force Bases and the Grand Forks and Minot Public School Districts, he stated:

> You are not talking about regular tuition payments on these Air Bases. The Grand Forks district and the Minot district do not get tuition; they receive the state foundation aid payment and the impact aid payment, and they agree to educate for whatever that is. That is what the contract calls for.

Hearing on H.B. 1304 Before the House Comm. on Education, 1989 N.D. Leg. (Feb. 7) (Statement of A. Koppang) (emphasis added). If this money is suddenly viewed as tuition, it will likely have a significant impact on the amount of state aid received by the school districts admitting students from the military installation school districts. This may or may not have been the intent of the Legislature, and the Legislature may wish to consider this issue prior to its adjournment.

You also ask whether school districts that receive impact aid may negotiate a tuition rate with an admitting school district. Again, three statutes address this issue.

The first section is N.D.C.C. § 15.1-29-09, which was discussed above. The plain language of the statute indicates that the student's school district of residence and the admitting district could agree to accept the impact aid payments "in lieu of" other tuition for the nonresident student. In this case, the districts would not be free to negotiate a tuition rate, but would be limited to the amount received as impact aid. As noted above, the federal law cited in N.D.C.C. § 15.1-29-09 has been repealed.

The second section is N.D.C.C. § 15.1-29-12. When payments are calculated pursuant to this section, there is no ability to negotiate a tuition rate. The formula for nonresident tuition is set out clearly, in mandatory language, stating that the admitting district "shall determine the cost of education per student" and what it "shall add" and what it "shall

subtract" to arrive at the correct tuition amount. See N.D.C.C. § 15.1-29-12(2). Clearly, this statute does not allow room for negotiation of a tuition rate for a nonresident student.

The third section is N.D.C.C. § 15.1-08-04. This section is strictly limited to military installation school districts and would not apply to LEA's that are not military installation school districts. When military installation school districts are involved, state law provides that they "shall . . . [c]ontract for the provision of education to the students residing in the district." N.D.C.C. § 15.1-08-04. In this case, the Legislature specifically gave the military installation school districts the ability to negotiate a contract to provide education, rather than simply directing the military installation school districts to follow N.D.C.C. ch. 15.1-29.

North Dakota has required schools to collect tuition for nonresident students pursuant to a statutory formula since at least 1921. See 1921 N.D. Sess. Laws ch. 107, § 1. The creation of military installation school districts is relatively new, and was enacted in 1989. See 1989 N.D. Sess. Laws ch. 204. Had the Legislature wanted the military installation school districts to calculate nonresident tuition pursuant to the current statutory formula, what is now N.D.C.C. ch. 15.1-29, it would not have directed it to "[c]ontract for the provision of education." N.D.C.C. § 15.1-08-04(3). To require a party to enter into a contract where the terms of the contract would do nothing more than restate current law appears to be an idle or unnecessary act. "A statute must be construed to avoid . . . idle or unnecessary acts." Larson v. Wells County Water Resource Bd., 385 N.W.2d 480, 482 (N.D. 1986). Therefore, when a military installation school district contracts with an admitting school district it is free to negotiate a tuition rate outside of the rate set in N.D.C.C. § 15.1-29-12.

Sincerely,

Wayne Stenehjem
Attorney General

njl/vkk

This opinion is issued pursuant to N.D.C.C. § 54-12-01. It governs the actions of public officials until such time as the question presented is decided by the courts. See State ex rel. Johnson v. Baker, 21 N.W.2d 355 (N.D. 1946).

# Testimony on SB 2200

**By**

**Dr. M. Douglas Johnson, Executive Director—NDCEL**

Chairman Freeborg and members of the Committee, for the record my name is Doug Johnson and I am the executive director of the ND Council of Educational Leaders which represents North Dakota's school leaders. I am here to testify in support the philosophical foundation of the Governor's Commission report upon which **SB2200** has been based.

It is the position of the North Dakota Council of Educational Leaders that the equity and the adequacy of school funding in North Dakota needs to be significantly improved. To that end, the NDCEL supports legislation that provides equity in per pupil payments during this biennium and begins to address adequacy of funding over the next three biennia. Further, the NDCEL supports accomplishing these to important funding issues by placing all program funds into one formula and using a base Average Daily Membership to determine foundation aid payments. It is the NDCEL's belief that **SB2200** provides that legislation.

The NDCEL also supports the funding of this formula with provisions for increased costs of educating children. There are several components in **SB2200** which are important in providing for those increased costs. First, the $80.5 million of proposed funding for this formula is a good start on the State's commitment to eventually provide for 70 percent funding of the cost of education as defined by current law. Second, the bill provides for increased funding of the State's share of the cost of special education. Third, bill makes the funding of high cost special education students more predictable by changing the current high cost risk pool for special education to an overall education high-cost risk pool. Finally, the bill provides reimbursement for excess costs over 1.0 for the purposes of student placements.

For the past twelve months the Governor's Commission on Improvement of Education has put significant effort in developing its report which is now before you as **SB2200**. The NDCEL commends the Commission's work and encourages that it be directed to continue its efforts in the coming biennia. Finally, the NDCEL has spent considerable time traveling the state with other Commission members explaining the work of the Commission to and gathering feedback from our members. We have worked with the Commission to consider and, wherever possible, make changes to improve the recommendations made by our members that are included in this bill. You must know that not all our members concerns could be solved by the Commission's recommendations that are before you today in **SB2200**. Consequently, it will be the work of this committee and the legislative body to listen to those members concerns and ultimately help finish the work the Commission through the legislative process of this 60th Legislative Assembly.

Chairman Freeborg and members of the Senate Education Committee, this concludes my testimony on SB2200. At this time I would be happy to answer any questions that you have in regard to my testimony.

# Testimony on SB 2200

**By**
**Dr. M. Douglas Johnson, Executive Director—NDCEL**

Madame Chair Kelsch and members of the House Education Committee, for the record my name is Doug Johnson and I am the executive director of the ND Council of Educational Leaders which represents North Dakota's school leaders. I am here to testify in support the philosophical foundation of the Governor's Commission report upon which **SB2200** has been based.

It is the position of the North Dakota Council of Educational Leaders that the equity and the adequacy of school funding in North Dakota needs to be significantly improved. To that end, the NDCEL supports legislation that provides equity in per pupil payments during this biennium and begins to address adequacy of funding over the next three biennia. Further, the NDCEL supports accomplishing these two important funding issues by placing all program funds into one formula and using a base Average Daily Membership to determine foundation aid payments. It is the NDCEL's belief that **SB2200** provides that legislation.

The NDCEL also supports the funding of this formula with provisions for increased costs of educating children. There are several components in **SB2200** which are important in providing for those increased costs. First, the $80.5 million of proposed funding for this formula is a good start on the State's commitment to eventually provide for 70 percent funding of the cost of education as defined by current law. Second, the bill provides for increased funding of the State's share of the cost of special education. Third, bill makes the funding of high cost special education students more predictable by changing the current high cost risk pool for special education to an overall education high-cost risk pool. Finally, the bill provides reimbursement for excess costs over 1.0 for the purposes of student placements.

For the twelve months leading up to North Dakota's 60th Legislative Assembly the Governor's Commission on Improvement of Education put significant effort in developing its report which is now before you as engrossed **SB2200**. The NDCEL commends the Commission's work and encourages that the Commission be directed by the legislature to continue its efforts in the coming biennia. Finally, the NDCEL has spent considerable time traveling the state with other Commission members explaining the work of the Commission to and gathering feedback from our members as well as explaining the changes made to **SB 2200** in the engrossed version before you this morning. We have worked with the Commission to consider and, wherever possible, make changes to improve the recommendations made by our members that are included in this bill. You must know that not all our members concerns could be solved by the Commission's recommendations that are before you today in engrossed **SB2200**. Consequently, it will be the work of this committee and the legislative body to listen to those members concerns and ultimately help finish the work the Commission through the legislative process of this 60th Legislative Assembly.

Madame Chair Kelsch and members of the House Education Committee, this concludes my testimony on engrossed **SB2200**. At this time I would be happy to answer any questions that you have in regard to my testimony.

*North Dakota Education Association*

Since 1887
www.ndea.org

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# Testimony on SB2200
# Senate Education Committee
# January 17, 2007

Senator Freborg and Members of the Senate Education Committee,

My name is Nancy Sand from the North Dakota Education Association. Today I am presenting testimony from NDEA President Gloria Lokken, Executive Director Nick Whitman, and myself.

NDEA supports the work of the Commission and its recommendations in SB2200. NDEA was proud to be a part of this impressive committee of people and organizations who care about children and public education.

The Commission's task was not easy. As a result of the work done by the Commission, there will be significant changes to the funding of public education. One of the changes is to redistribute some funding programs as student payments—including the teacher compensation reimbursement program money and tuition apportionment. By itself, NDEA would not have supported redistribution of the teacher compensation reimbursement money, but with changes in distribution in other money, changes in weight factors, additional per student funding, and additional equity payments, we believe the loss to some schools of teacher compensation reimbursement money is offset. The change in distribution of the teacher compensation reimbursement money is consistent with all forms of payment proposed in the bill.

NDEA also supports continuing the requirement, found in Section 47 of the bill, for schools to spend seventy percent of new money on teacher compensation. The continuation of this requirement recognizes the Commission's commitment to improve compensation for teachers across the state.

Although contingency and equity payments are not included in the definition of new money, the bill does not prohibit school districts from using any or all of this money to improve compensation. For many years, teachers and education employees have heard school boards say there are limited funds. Districts receiving additional student payments plus contingency and/or equity payments from this new formula may dedicate a good portion to increase compensation for teachers and all school employees.

Money invested in teachers and school employees is invested back into our communities. It helps grow the economy.

NDEA supports the work of the Commission. SB2200 addresses equity, and the additional funds for student payments, special education, and other programs begin the movement to adequacy. NDEA is committed to the Commission and is committed to continue working together to achieve adequacy.

NDEA urges your support of SB2200.

*Great Public Schools – A Basic Right!*

Gloria Lokken

North Dakota Education Association

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www.ndea.org

# Testimony on SB2200
## Senate Appropriations Committee
## February 7, 2007

Senator Holmberg and Members of the Senate Appropriations Committee,

My name is Nancy Sand from the North Dakota Education Association.

NDEA supports the work of the Commission and its original recommendations in SB2200. NDEA was proud to be a part of this impressive committee of people and organizations who care about children and public education.

As a result of the work done by the Commission, there will be significant changes to the funding of public education. One of the changes in the original bill was to redistribute some funding programs as student payments—including the teacher compensation reimbursement program money and tuition apportionment. The change in distribution of the teacher compensation reimbursement money was consistent with all forms of payment proposed in the original bill.

NDEA is pleased there has been no effort in SB2200 or SB2013 to decrease the amount of money that had been appropriated in the past for tuition apportionment and the teacher compensation reimbursement program. It is important to continue those amounts and even increase the appropriation if possible.

NDEA supports continuing the requirement for schools to spend seventy percent of new money on teacher compensation. The continuation of this requirement in SB2200 recognizes the Commission's commitment to improve compensation for teachers across the state.

Money invested in teachers and school employees is invested back into our communities. It helps grow the economy.

NDEA supports the original work of the Commission. SB2200 addresses equity, and the additional funds for student payments, special education, and other programs begin the movement to adequacy. NDEA is committed to the Commission and is committed to continue working together to achieve adequacy.

*North Dakota Education Association*

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# Testimony on SB2200
# House Education Committee
# March 5, 2007

Representative Kelsch and Members of the House Education Committee,

My name is Nancy Sand from the North Dakota Education Association.

NDEA supports the work of the Commission and its original recommendations in SB2200. NDEA was proud to be a part of this impressive committee of people and organizations who care about children and public education.

The Commission's task was not easy. As a result of the work done by the Commission, there will be significant changes to how public education is funded. One of the changes in the original bill was to redistribute some funding programs as student payments—including the teacher compensation reimbursement program money and tuition apportionment.

By itself, NDEA could not have supported redistribution of the teacher compensation reimbursement money, but with changes in distribution in other money, changes in weight factors, additional per student funding, and additional equity payments, we felt the loss to some schools of teacher compensation reimbursement money was offset by increases in other funds. The proposed change in distribution of the teacher compensation reimbursement money in the original bill was consistent with all forms of payment proposed.

NDEA supports continuing the requirement in Section 47 of the engrossed bill for schools to spend seventy percent of new money on teacher compensation. The continuation of this requirement in the engrossed SB2200 recognizes the Commission's commitment and the Senate's commitment to improving compensation for teachers across the state.

For many years, teachers and education employees have heard school boards say there are limited funds. Districts receiving additional student payments plus contingency and/or equity payments from the new formula may choose to dedicate a good portion to increase compensation for teachers and all school employees.

Money invested in teachers and school employees is invested back into our communities. It helps grow the economy.

NDEA supports the original work of the Commission. SB2200 addresses equity, and the additional funds for student payments, special education, and other programs begin the movement to adequacy. NDEA is committed to the Commission and is committed to continue working together to achieve adequacy.

North Dakota Farm Bureau
Bringing ag home

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# Senate Education Committee

*January 17, 2007*

**Testimony by North Dakota Farm Bureau**

*presented by Sandy Clark, public policy team*

Good morning, Chairman Freborg and members of the Senate Education Committee. My name is Sandy Clark and I represent the members of North Dakota Farm Bureau.

We stand today in support of SB 2200. We certainly want to commend Governor Hoeven's Education Improvement Commission for its diligent work in crafting an education funding formula that resulted in this bill.

North Dakota Farm Bureau believes this funding formula is an improvement over the current system. If this bill provides equity, that is a monumental accomplishment. We support the state-funded equity payments designed to provide equity, as an alternative to the mill levy deduct.

First and foremost, we are pleased that the negative impacts of the mill levy deduct have been substantially mitigated. The mill levy deduct was the vehicle to provide equity between so-called property poor and property rich districts. The mill levy deduct was a chain around the neck of many rural communities that have large amounts of agricultural property and few students.

The elimination of the mill levy deduct has been a high priority for North Dakota Farm Bureau for decades. Some of you are aware that during the Commission's process, we were very vocal about our opposition to the 170-mill offset and the high-valuation adjustment. Several schools were hit by both of these deducts. We viewed those factors as a mill levy deduct by another name.

We still believe that. However, we are very pleased that the Commission took action at its recent meeting to reduce the factor to a 155-mill offset in the first year and a 160-mill offset in the second year of the biennium. These lower offsets further reduce the impact of a deduct

*(over)*

system. Fewer schools are impacted and we are now prepared to support this concept, as long as these offsets are not increased.

We think it's a good compromise and we certainly appreciate the efforts of the Commission, the Governor's Office, and the bill sponsors to respond to our concerns, as well as others who expressed the same objections we did. But I do have to say, we would like it even better if these offsets could be lowered even further.

North Dakota Farm Bureau supports the provision that tuition apportionment payments will be distributed on student enrollment, rather than school district census. As a priority for our Farm Bureau members, we think this is a positive step in education funding.

The infusion of $80 million of state funding will begin to increase the state share of K-12 education funding, while reducing the share provided by local property taxes. We hope that trend will continue.

We expect increased state funding will correspond with a reduction of local property taxes. Today 50.5 percent of local property taxes are directed to school districts. Although this bill does not address property tax relief, we are anxious to testify on the bills this Session dealing with property tax relief.

In other provisions of SB 2200, we support:

- the two and three to seven percent increases in funding for each school district and hope the enhanced funding levels can be sustained.
- keeping school transportation as a separate line item.
- adding more levels to the weighting factors.
- the additional funding for special education.

Farm Bureau policy does oppose a couple provisions in this bill, including funding for kindergarten for low-income, at-risk students. We think this is a precursor to all-day, every-day kindergarten and Farm Bureau policy opposes that.

We also have concerns about maintaining the language requiring 70 percent of new money to be dedicated to increased teacher compensation.

But again, we think the majority of the bill is an improvement over the current funding formula and we hope you will give the bill a "do pass" recommendation.

Thank you and I would be happy to entertain any questions, you may have.

North Dakota Farm Bureau
Bringing ag home

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2 → 1

# House Education Committee

*March 5, 2007*

## SB 2200 Testimony by North Dakota Farm Bureau

*presented by Sandy Clark, public policy team*

Good morning, Madam Chairman and members of the House Education Committee. My name is Sandy Clark and I represent the members of North Dakota Farm Bureau.

We stand today in support of SB 2200. We certainly want to commend Governor Hoeven's Education Improvement Commission for its diligent work in crafting an education funding formula that resulted in this bill.

North Dakota Farm Bureau believes this funding formula is an improvement over the current system. We support the state-funded equity payments designed to provide equity, as an alternative to the mill levy deduct.

First and foremost, we are pleased that the negative impacts of the mill levy deduct have been substantially mitigated. The mill levy deduct was a chain around the neck of many rural communities that have large amounts of agricultural property and few students.

The elimination of the mill levy deduct has been a high priority for North Dakota Farm Bureau for decades. Some of you are aware that during the Commission's process, we were very vocal about our opposition to the then-proposed 170-mill offset and the high-valuation adjustment. Several schools were hit by both of these deducts. We viewed those factors as a mill levy deduct by another name.

We still believe that. However, we are very pleased that the mill-levy offset has been reduced to a 150-mill offset in the first year and a 155-mill offset in the second year of the biennium. These lower offsets further reduce the impact of a deduct system. Fewer schools are

*(over)*

impacted and we are now prepared to support this concept, as long as these offsets are not increased.

North Dakota Farm Bureau supports the provision that tuition apportionment payments will be distributed on student enrollment, rather than school district census. As a priority for our Farm Bureau members, we think this is a positive step in education funding.

We also support the Senate amendment that removes the $50 million teacher compensation funding back to a separate line item. Without this provision, many schools experiencing declining enrollment would have difficulty maintaining those mandated teacher compensation levels when the funds are distributed through per pupil state aid payments. We believe this Legislature should maintain the integrity and the intent of the commitment made by a previous Legislature. If that original $50 million had been distributed through foundation aid at that time, that would be a different; but the commitment was made and it is unfair to change direction once that standard was established.

In other provisions of SB 2200, we support:

- the two and three to seven percent increases in funding for each school district and hope the enhanced funding levels can be sustained.
- keeping school transportation as a separate line item.
- adding more levels to the weighting factors.

The infusion of $80.5 million of state funding will begin to increase the state share of K-12 education funding, while reducing the share provided by local property taxes. We hope that trend will continue.

Farm Bureau does oppose maintaining the language requiring 70 percent of new money to be dedicated to increased teacher compensation. Our members believe local school boards should have the authority to budget for teacher compensation.

But again, we think the majority of the bill is an improvement over the current funding formula and we hope you will give the bill a "do pass" recommendation.

Thank you and I would be happy to entertain any questions, you may have.

# North Dakota Association of Oil & Gas Producing Counties

**EXECUTIVE COMMITTEE**

Brad Bekkedahl
President
Williston

Anthony Duletski
Vice President
Bowman PSD

Diane Affeldt
Garrison

Roger Chinn
Past President
McKenzie County

Verdean Kveum
Bottineau County

Loren Mathson
South Heart PSD

Ken Radenz
Burke County

Wayne Stanley
Stanley PSD

Greg Sund
Dickinson

Reinhard Hauck
Secretary/Treasurer
Manning

## Senate Bill 2200
## Senate Education Committee
## January 17, 2006
## Oppose imputation of oil and coal revenues

Chairman Freborg and Members of the Committee. My name is Vicky Steiner. I am the Executive Director of the North Dakota Association of Oil and Gas Producing Counties. This Association has 135 county, city and school district members in the oil and gas producing region of western North Dakota. These members are located in 16 counties. I also represent the North Dakota Association of Coal Conversion Counties which is Mercer, McLean and Oliver counties, cities and schools. I appear before you today to express our concern on page 14, section 5. We would ask consideration on taking the mineral revenues down from 75% to zero.

I have a record of opposition from both the coal counties and the oil counties from their membership meetings last year. We have a difference of definition relative to these revenues. The Commission has determined that they are defined as "local property tax". Our members have always considered them as "impact revenues". They help to mitigate the impacts that we have in the energy "boom and bust" cycles that have come and gone now ever since the discovery of oil in 1951 in North Dakota. We are currently in our 4th boom cycle, and the impacts are greater than at any previous time. We ask that you agree with our definition assessment, and remove the imputation of mineral resource dollars in the proposed funding formula.

VICKY STEINER - EXECUTIVE DIRECTOR
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E-mail: vsteiner@ndsupernet.com - Web: www.ndoilgas.govoffice.com

The total gross production tax oil collections for fiscal year 2006 were $166 million dollars. The oil school districts received about 6% of that collection.

How does Senate bill 2200 impact western North Dakota? Of 80 mineral school districts, 17 are bigger winners and 63 receive the minimum category of the equity payment.

We conducted a needs assessment for oil impacts and have documented $47 million dollars in impacts. Of that $47 million in impact needs, 75% is road and bridge damage. Damaged roads impact school bus routes and increase the repair costs and the amount of damage to the bus systems. Dunn County currently has $6 million in road damage alone and there is only $3 million a year in energy impact funding.

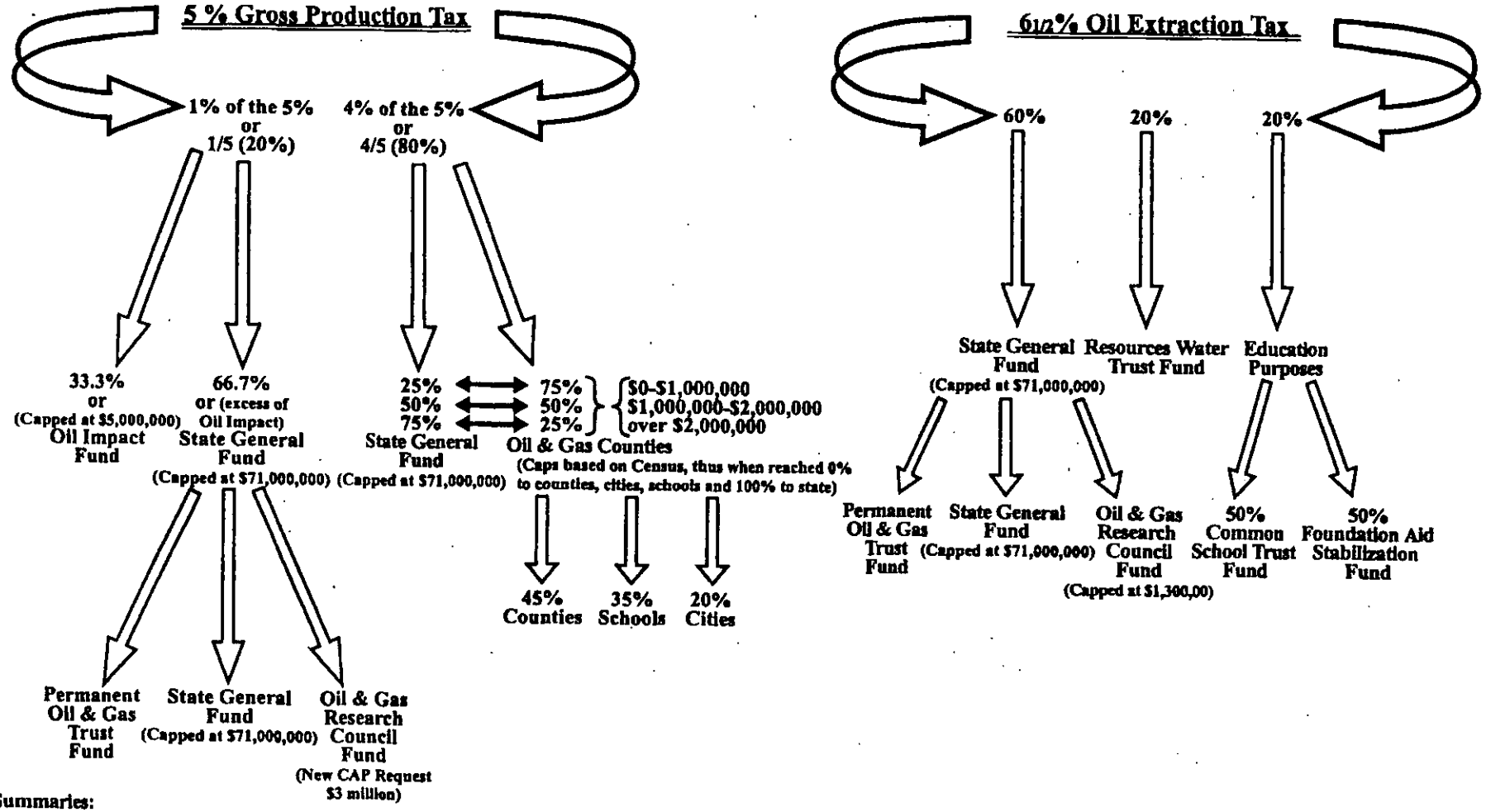
Dunn County's cost for road material has also increased as they compete against the oil companies for local gravel supplies. School buses drive these oil impacted roads. The Governor's proposal to grant $116 million dollars in property tax relief comes from the 5% permanent oil tax trust fund. If that proposal is passed into law, oil money will reach every property owner in the state in a very direct way.

There were 42 rigs drilling last week. The oil industry is vital to the growth of the state. The 6.5% oil extraction tax feeds the common schools trust fund which is now at about $800 million dollars. Oil royalties, pasture rents and oil bonuses from western school grant lands supplement the trust.

We are a partner in growing the energy economy but we need the infrastructure which is schools and roads to accomplish those goals, and the funds to support them.

Please decrease the 75% to zero. The 5% oil tax and the coal conversion tax are "in lieu of" property tax and we are legislatively limited in our ability to tax the oil and coal resource. I would be happy to answer any questions. Thank you.

# Current Oil Tax Distribution




Title Summaries:

Oil Impact Fund = Such fund via grant application assists local political subdivisions in dealing with issues arising from oil and energy development and/or activities.
State General Fund = Such fund assists with projects and programs (educational, DOT, governmental, human services, aricultural, etc) across the entire state of ND.
Oil & Gas Counties - Counties = Such fund assists counties impacted by the production of oil and gas. Entitlement is based on a percentage and population basis.
Oil & Gas Counties - Schools = Such fund assists counties impacted by the production of oil and gas. Entitlement is based on a percentage and census basis.
Oil & Gas Counties - Cities = Such fundassists counties impacted by the production of oil and gas. Entitlement is based on a percentage and population basis.
Resources Water Trust Fund = Such fund assists with construction of water-related projects, including rural water systems and programs for energy conservation.
Education Purposes - Common School Trust Fund = Proceeds are deposited with DPI and interest from such fund is distributed to schools via tuition appointment payments.
Education Purposes - Foundation Aid Stabilization Fund = Interest monies transferred to state general fund. Principle balance may be used for revenue shortage to state general fund.
Permanent Oil & Gas Fund = Such fund assists with projects and programs (educational, DOT, governmental, human services, agricultural, etc) across the entire state of ND.
Oil & Gas Research Council Fund = Such fund assists to accumulate and dissemate information concerning the petroleum industry to foster the best interests of the public and industry.

# North Dakota Office of [illegible] Tax Commissioner
## Statement of Collections Data
## 2005-07 Biennium

| Description | FISCAL YEAR 2006 Gross Collections | Refunds | | FISCAL YEAR 2006 Net Collections | FISCAL YEAR 2007 Gross Collections | Refunds | | FISCAL YEAR 2007 Net Collections | 2005-07 BIENNIUM NET TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| Sales & Use Tax | $434,510,268.21 | $5,603,862.32 | | $428,906,405.89 | | | | $0.00 | $428,906,405.89 |
| Motor Vehicle Excise Tax (1) | 125,756.67 | 170.28 | | 125,586.39 | | | | 0.00 | 125,586.39 |
| City Occupancy Tax | 1,178,716.11 | 5,167.96 | | 1,173,548.15 | | | | 0.00 | 1,173,548.15 |
| City Sales Tax | 87,563,543.97 | | | 87,563,543.97 | | | | 0.00 | 87,563,543.97 |
| City Restaurant and Lodging Tax | 2,916,086.77 | 28,929.75 | | 2,887,157.02 | | | | | |
| City Motor Vehicle Rental Tax | 13,326.69 | | | 13,326.69 | | | | 0.00 | 13,326.69 |
| Individual Income Tax | 313,621,741.35 | 39,000,000.00 | * | 274,621,741.35 | | | * | 0.00 | 274,621,741.35 |
| Corporate Income Tax | 121,289,586.57 | 9,500,000.00 | * | 111,789,586.57 | | | * | 0.00 | 111,789,586.57 |
| Financial Institutions Tax | 11,978,850.39 | 1,000,659.00 | | 10,978,191.39 | | | | 0.00 | 10,978,191.39 |
| Cigarette Tax (Cities) | 1,407,166.39 | | | 1,407,166.39 | | | | 0.00 | 1,407,166.39 |
| Cigarette Tax (Tribe) | 64,403.25 | | | 64,403.25 | | | | 0.00 | 64,403.25 |
| Cigarette Tax (GF) | 19,278,591.51 | | | 19,278,591.51 | | | | 0.00 | 19,278,591.51 |
| Tobacco Tax | 2,708,670.78 | 1,181.71 | | 2,707,489.07 | | | | 0.00 | 2,707,489.07 |
| Oil & Gas Gross Production Tax | 104,378,689.40 | | | 104,378,689.40 | | | | 0.00 | 104,378,689.40 |
| Oil Extraction Tax | 65,122,617.00 | 3,354,683.09 | | 61,767,933.91 | | | | 0.00 | 61,767,933.91 |
| Telecommunications Tax | 10,097,162.65 | 23,884.50 | | 10,073,278.15 | | | | 0.00 | 10,073,278.15 |
| Wholesale Liquor/beer Tax | 6,366,539.19 | 250.00 | | 6,366,289.19 | | | | 0.00 | 6,366,289.19 |
| Estate Tax | 1,086,192.21 | | | 1,086,192.21 | | | | 0.00 | 1,086,192.21 |
| Miscellaneous Remittances | 29,095.28 | 18,636.31 | | 10,458.97 | | | | 0.00 | 10,458.97 |
| Coal Severance Tax | 12,014,617.94 | | | 12,014,617.94 | | | | 0.00 | 12,014,617.94 |
| Coal Conversion Tax | 27,784,633.03 | | | 27,784,633.03 | | | | 0.00 | 27,784,633.03 |
| Transmission Line Tax | 415,500.75 | | | 415,500.75 | | | | 0.00 | 415,500.75 |
| Music and Composition Tax | 46,748.69 | | | 46,748.69 | | | | 0.00 | 46,748.69 |
| Sales & Use Tax Cash Bonds | 56,900.00 | 25,082.06 | | 31,817.94 | | | | 0.00 | 31,817.94 |
| Fuel Dealers & Inspection Fees | 880.00 | | | 880.00 | | | | 0.00 | 880.00 |
| Motor Vehicle Fuel Tax | 81,622,299.21 | 1,970,000.00 | * | 79,652,299.21 | | | * | 0.00 | 79,652,299.21 |
| Special Fuel Tax | 54,614,174.84 | 142,000.00 | * | 54,472,174.84 | | | * | 0.00 | 54,472,174.84 |
| Motor Fuel Tax - Cash Bond | 3,000.00 | 3,500.00 | | (500.00) | | | | 0.00 | (500.00) |
| Nongame Wildlife Fund | 17,522.14 | | | 17,522.14 | | | | 0.00 | 17,522.14 |
| Centennial Tree Trust Fund | 16,869.93 | | | 16,869.93 | | | | 0.00 | 16,869.93 |
| Organ Transplant Support Fund | 12,654.77 | | | 12,654.77 | | | | 0.00 | 12,654.77 |
| Airline Tax | 49,726.67 | | | 49,726.67 | | | | 0.00 | 49,726.67 |
| Provider Assessment | 3,781,260.00 | | | 3,781,260.00 | | | | 0.00 | 3,781,260.00 |
| TOTAL COLLECTIONS | $1,364,173,792.36 | $60,678,006.98 | | $1,303,495,785.38 | $0.00 | $0.00 | | $0.00 | $1,300,608,628.35 |
| | | | | 66,555,641.20 | | | | | 66,555,641.20 |

$166,146,623

* Represents amounts transferred to refund reserve accounts - not actual refunds.

(1) Additional Motor Vehicle Excise Tax was collected by the ND Department of Transportation. Amounts collected by DOT were XXXX in FY06 and XXXX in FY07.

1,370,051,426.58 0.00

# Permanent Oil Tax Trust Fund
# Status Statement

| | | | | | |
|---|---|---|---|---|---|
| Beginning Balance | | $50,369,096 | \1 | | $128,294,681 |
| Revenue | | 158,543,405 | \2 | | 167,036,607 \2 |
| Expenditures: | | | | | |
| Appropriation for Peace Garden Music Camp - 2005 SB 2228 | (350,000) | | | | |
| Appropriation for Centers of Excellence - 2005 SB 2018 | (16,000,000) | | | | |
| Additional appropriation for Centers of Excellence - 2007 SB 2015 | (5,300,000) | | | | |
| Appropriation to DHS for MMIS - 2005 HB 1012 | (3,667,820) | | | | |
| Appropriation for property tax relief - 2007 executive recommendation | | | | (116,700,000) | |
| Transfer to the general fund | (55,300,000) | | \3 | | |
| Total Expenditures and Transfers | | (80,617,820) | | | (116,700,000) |
| Ending Balance | | $128,294,681 | | | $178,631,288 |

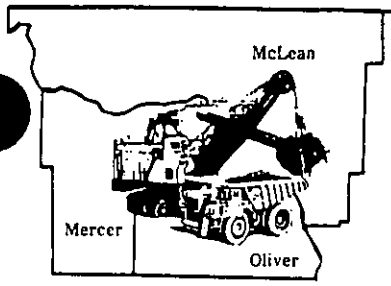
\1 Actual July 1, 2005 beginning balance.

\2 Estimated oil extraction and production taxes in excess of the current statutory cap of $71.0 million (North Dakota Century Code 57-51.1-07.2), based on the November 2006 executive revenue forecast.

\3 Transfer to the general fund, pursuant to 2005 House Bill 1015.

**Notes:**

North Dakota Century Code 57-51.1-07.2 establishes the permanent oil tax trust fund. This section provides that at the end of each biennium, all oil extraction and production taxes collected and deposited in the general fund in excess of $71.0 million must be transferred to the permanent oil tax trust fund. The State Treasurer shall transfer interest earnings of the trust fund to the general fund at the end of each fiscal year. The principal may only be expended upon a two-thirds vote of the members of each house of the Legislative Assembly.




Coal Conversion Counties
*McLean, Mercer and Oliver Counties*
P.O. Box 717 • Hazen, ND 58545

# Oppose the imputation of mineral revenues in SB 2200

**Senate Education Committee**
**Chairman Senator Layton Freborg**
**Brynhild Haugland room**
**January 17, 2006**

**North Dakota Association of Coal Conversion Counties**
**Meeting Minutes**
**December 14, 2006**
**Beulah, ND**

**During a general membership meeting, a motion was made by Washburn Superintendent Robert Tollefson that the imputed coal and oil dollars in the bill should be zero, second by Wilton City official Kyle Tschosik. Motion unanimously carried. Steve Frovarp, Hazen, secretary.**

# RESOLUTION

Whereas: The North Dakota Association of Oil and Gas Producing Counties is an organization representing the financial and legislative interests of the county, school, and city subdivisions and their constituents in the seventeen producing counties of North Dakota; and

Whereas: The gross production tax was originally passed by the North Dakota Legislature after the discovery of oil in 1951, and a portion of this tax has been provided to local entities to mitigate the impact of the cyclical activity of oil and gas exploration, development, and production; and

Whereas: It has been the responsibility of the North Dakota Association of Oil and Gas Producing Counties to protect and preserve that resource base to its membership since its inception as a formal association; and

Whereas: The Association invited three members of the Governor's Commission on Education to its annual meeting in Bowman, North Dakota on October 5, 2006 to present the Commission's school funding formula and its impact upon the Association's member school districts; and

Whereas: The Association school district members continued discussion of the funding formula after the conclusion of this annual meeting, and in a vote of the Association education members present, overwhelmingly opposed the provision in the funding formula that imputes the local school district oil and gas revenues provided by the gross production tax;

Now Therefore be it Resolved by the Executive Committee of the North Dakota Association of Oil and Gas Producing Counties, on behalf of its membership, that we stand in opposition to the funding formula developed and presented by the Governor's Commission on Education, as long as said formula contains the provision to impute any percentage of the local school district's oil and gas funding from the state gross production tax.

By vote of the Executive Committee, on behalf of the membership;

_____

Brad D. Bekkedahl, President
North Dakota Association of Oil and Gas Producing Counties

**October 5, 2006**
**Bowman City Hall, Bowman, ND**

Handout #3

SB 2200
March 20, 2007

# North Dakota Association of Oil & Gas Producing Counties

**EXECUTIVE COMMITTEE**

Brad Bekkedahl
President
Williston

Anthony Duletski
Vice President
Bowman PSD

Diane Affeldt
Garrison

Roger Chinn
Past President
McKenzie County

Verdean Kveum
Bottineau County

Loren Mathson
South Heart PSD

Ken Radenz
Burke County

Wayne Stanley
Stanley PSD

Greg Sund
Dickinson

Reinhard Hauck
Secretary/Treasurer
Manning

**Do Not Support SB 2200- the 100% imputation of mineral revenues**
Chairman Frank Wald
Education and Environment Section, Appropriations Committee
March 20, 2007

Good morning, Mr. Chairman Wald and Members of the Appropriations Committee.

My name is Vicky Steiner. I am the Executive Director of the North Dakota Association of Oil and Gas Producing Counties.

The 5% oil and gas gross production tax is an "in lieu of" of property tax. The state law took away the producing county's ability to tax the oil properties in 1953. Minerals are the only taxes that are "in lieu of' and are a shared tax between the county and the state.

In 1953, legislators recognized that the oil producing county, cities and schools would have impacts from the oil development and that the tax would be a shared one. They would never have envisioned that future legislators would say that oil tax revenues belong soley to the state. It is a shared resource because you have impacts with the energy development. The early legislation recognized those impacts. SB 2200 with the 100% imputation of mineral revenues does not recognize that fact.

In fiscal year 2006, the two oil tax sources, the 5% gross production and the 6.5% oil extraction tax generated approximately $166 million dollars for the year. Next biennium, the oil taxes are predicted to generate $422 million dollars. The common schools trust fund is projected to receive $20.5 million. Over half of the $850 million dollar common schools trust fund were generated from oil tax revenues, rents and bonuses on oil producing lands in western North Dakota.

How much did the school districts in the oil producing region receive of the $166 million last year? About 5% of the total or $ 8.8 million. It is unfair to say that 100% of these mineral revenues are needed to provide equity.

The Senate version of SB 2200's equity formula originally contained the federal "in lieu of" school districts, such as Minot school district. During the Senate hearing, Minot house members protested their inclusion in the formula and in this bill, they are treated differently from the mineral "in lieu of". That's not fair to the mineral schools.

VICKY STEINER - EXECUTIVE DIRECTOR
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Linda Svihovec - Permit Operator
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# *North Dakota Association of Oil & Gas Producing Counties*

**EXECUTIVE COMMITTEE**

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This Association has never supported the 75% or the 100% imputation numbers. We have 25 school districts that opposed those numbers and support a 50% imputation. The compromise that the Governor's Education Commission talks about was a compromise that the commission members discussed between themselves. We were not at the table for that discussion.

Please amend this bill back to the Senate version with the 50% imputation value.

**VICKY STEINER - EXECUTIVE DIRECTOR**
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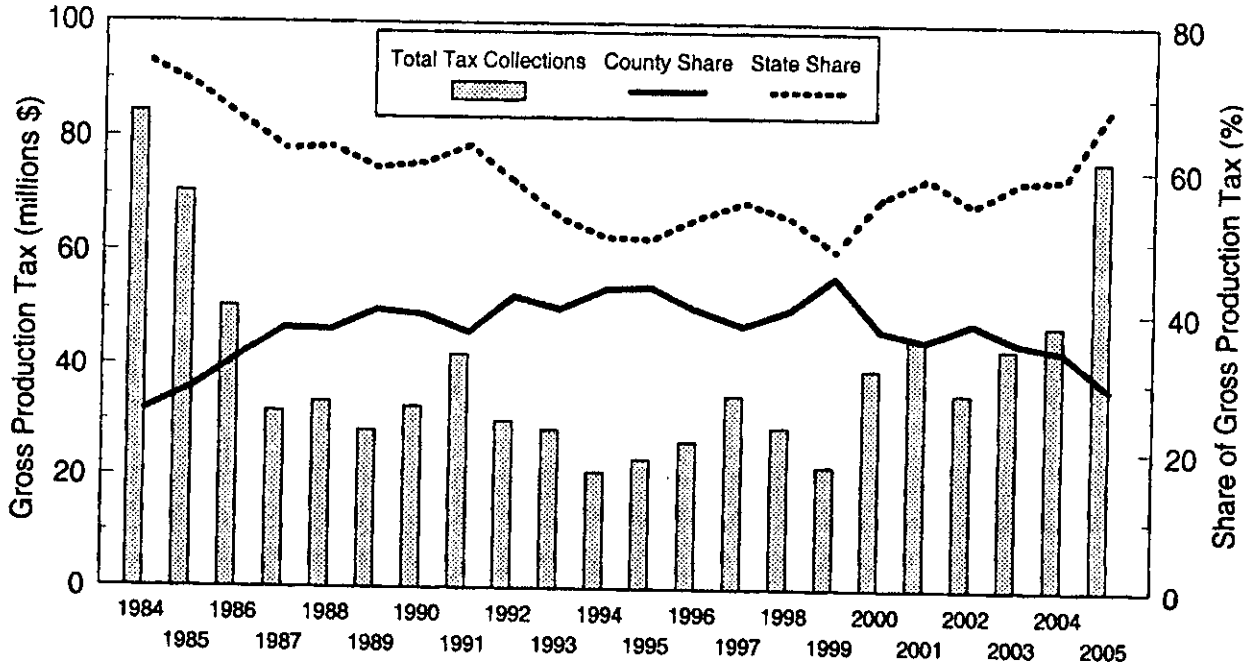


Figure 1. Total Gross Production Tax, Counties and State Share in Percentage Terms, Fiscal Years 1984 through 2005



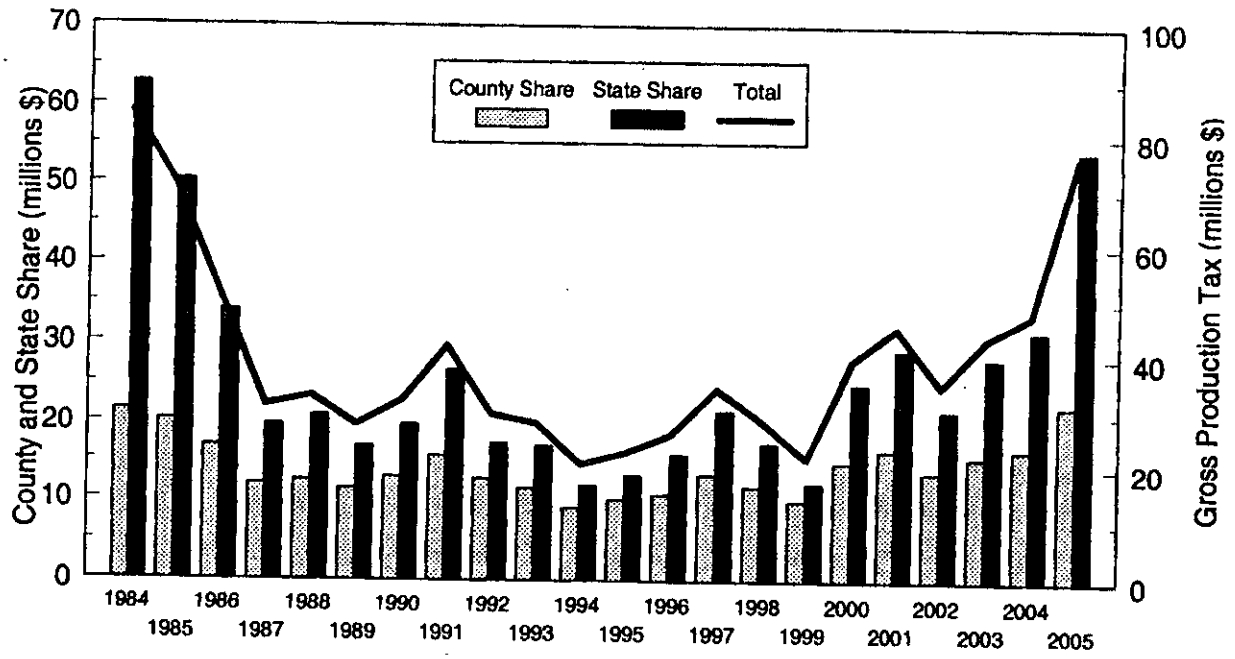


Figure 2. Total Gross Production Tax, Counties and State Share in Dollar Terms, Fiscal Years 1984 through 2005

attachment

**Wrap-up for Senate Education Hearing**
**January 17, 2007**

This Commission, representative of the key members of the education and legislative community, has spend thousands of hours researching and developing this new funding plan.

This team has always been a non-partisan group. With the exception of the legislators and the Lt. Governor, none of us are aware of each others political party. Our intent was, and still is, to provide the legislature with the best possible process to fairly, equitably and adequately fund elementary and secondary education in North Dakota.

All along, our work has focused on meeting the needs of the kids of North Dakota. Our objective was to create a formula in which the quality of a child's education did not depend upon where he or she lived.

Our formula was developed to be "fair" to all of North Dakota. At many times in the development of the formula, as individuals, we could have changed a part of it to better suit our individual school district, but that was not our objective. We knew that this had to be the best for all kids, and fair overall for all of North Dakota.

First and foremost, this funding plan develops equity in funding. We all understand that additional funding without first developing equity will only widen the gap in educational opportunities for kids.

Our formula also sets up the next step, a move toward adequacy in education. Once the formula is in place, we will begin the long and arduous job of determining what an adequate education is comprised of and what it will cost.

As you move ahead in your deliberations you will hear emotional statements about our formula.

1. You may hear that special education is not funded properly.
As we've always said, equity through this formula is the first step of what needs to be done. To determine the additional funding needed in special education will be one of the key components of our adequacy study. For now we will meet some of the most severe funding needs of special education. The current formula reimburses special education at $190 per student no matter what size of the school. Our new formula increases that ADM payment to $259.63 for small schools, and $207.70 for large schools.

2. You may hear that this is a large school plan and large schools will see the most money.
Under the new formula, 11 districts with enrollments around 100 will see a 7% increase; 9 districts with enrollments 100 to around 150 will see a 7% increase; and an additional 5 small districts will see increases of 12-30%. Our plan is not size prejudice.

3. You may hear that the new funding formula is unfair to K-8 or K-6 school districts.
In our research and in our travels around the state, we learned that the tuition paid by residents of K-6 and K-8 school districts to educate their high school students is often half or less than what the cost would be if they had high schools in their home district. I will exemplify this

Warren Larson.

more for you. Today in North Dakota we have a K-8 school district that sends their 79 high school students to a large district at a cost to them of $4100. A K-12 school district only 25 miles away has a cost of $11,560 for their 80 high school students.

Therefore, these K-8 schools are included in our formula, as they are in the current formula, but we are not looking at giving them any additional breaks.

4. You may hear that we should dissect this formula and use parts rather than the whole package.
I ask you to keep our funding plan intact and look at it as a total package. Let me share a thought with you. Today, after lunch the cafeteria has put together a formula of something you will really like. They have "raw eggs" for dessert for you today!!!!!

Yes, I said raw eggs. BUT, you don't think raw eggs sound good . . . and yet if you put it with the rest of the package, it is good. What I did not tell you is that the formula also has flour, cocoa, chocolate, sugar and milk, and you'll actually be having "chocolate brownies". For you see, when you look at the parts of any formula, they may sound bad, but when you look at them in total . . . they are good.

Today, we shared with you what we truly believe is the best possible long range plan for the future of elementary and secondary education in North Dakota. This is not a quick fix, for that is not possible; rather this is a well thought out plan, reviewed and improved upon many times by our peers, and this formula is a beginning, not an end.

Lastly you will find that this is a systemic change – it is never easy to change an entire system, but with education funding it is necessary. I implore you to keep the focus of what you are working toward very clear in your minds, and not be dissuaded by potential detractors. For in reality, this is only about those who really cannot fight for what they need; the real greatest natural resource of North Dakota . . . our kids.

Warren's comments for Senate Appropriations Committee Hearing
February 7, 2007

The most important thing to remember about Senate Bill 2200 is that it is not the Governor's bill. It is not the Democrat's bill. And it is not the Republican's bill... it is the kids' bill.

This bill is about and for the children of North Dakota. It was developed by a non-partisan group whose sole intention was to find a way to provide an equitable education to every child in this state. They do not have that now, but if SB 2200 remains intact and on task, they will.

This bill is fiscally responsible - it makes changes in the current formula that protect districts in good times and bad, and ensure that every child will receive the same educational opportunities no matter the mills levied in their district, the property taxes paid or the oil and gas revenues collected.

First and foremost, the formula develops equity in funding. We all understand that additional funding without first developing equity will only widen the gap in educational opportunities for kids across North Dakota.

Our formula also sets up the next step, a move toward adequacy in education. Once the formula is in place, we will begin the long and arduous job of determining what an adequate education is comprised of and what it will cost.

As this committee examines the formula, you will see that this bill *as a whole* is right for the kids of North Dakota. Each piece of the proposed formula is interconnected. Removing or changing any single piece destroys the integrity of the entire formula. The amendments recently introduced to SB 2200 are detrimental to that integrity.

> First: Oil and gas - Special interests have amended the bill to cut consideration of oil and gas revenue impact on the formula from 75 percent to half. This perpetuates the inequities of the system and will unfairly cost the 34 non- oil and gas counties millions of dollars. When oil and gas counties are booming, the kids in these counties have additional funding resources other children don't receive. That's great, but, unfortunately, it shortchanges kids in other parts of the state if we don't factor those taxes in as we work toward a level playing field for all kids. It's important to note that the formula is designed to assist children in these counties when oil and gas taxes are not available.
>
> Second: Teacher salaries - An unnecessary amendment was added to SB 2200 in which $52 million would be taken out of the funding and put into FTE teacher payments. In our formula, 70% of the new per student payment goes toward teacher salaries. We have addressed teacher salaries and made it a vital element of the funding formula. The amendment is redundant and damaging.

In addition to these amendments, you may hear other emotional statements about our formula as you move ahead:

You may hear that special education is not funded properly -- As we've always said, equity through this formula is the first step of what needs to be done. To determine the additional funding needed in special education will be one of the key components of our adequacy study. For now we will meet some of the most severe funding needs of special education. The current formula reimburses special education at $190 per student no matter what size of the school. Our new formula increases that ADM payment to $259.63 for small schools, and $207.70 for large schools.

You may hear that this is a large school plan and large schools will see the most money. Under the new formula, 11 districts with enrollments around 100 will see a 7% increase; 9 districts with enrollments 100 to around 150 will see a 7% increase; and an additional 5 small districts will see increases of 12-30%. Our plan is not size prejudice.

You may hear that the new funding formula is unfair to K-8 or K-6 school districts.
In our research and in our travels around the state, we learned that the tuition paid by residents of K-6 and K-8 school districts to educate their high school students is often half or less than what the cost would be if they had high schools in their home district.

Therefore, these K-8 schools are included in our formula, as they are in the current formula, but we are not looking at giving them any additional considerations.

We truly believe SB 2200 in its original state is the best possible long range plan for the future of elementary and secondary education in North Dakota. This is not a quick fix, for that is not possible; rather this is a well thought out plan, reviewed and improved upon many times by our peers, and this formula is a beginning, not an end.

I implore you to keep the focus of what you are working toward very clear in your minds as you debate SB 2200. This bill is about the kids. We must set aside special interests and the voices of the detractors and address the greater good. This bill is about the kids of North Dakota. This is their bill, and we must do right by them.

Warren Larson, Supt
Dilworth School District

Warren's comments for House Education Committee Hearing
March 5, 2007

The most important thing to remember about Senate Bill 2200 is that it is not the Governor's bill. It is not the Democrat's bill. And it is not the Republican's bill... it is the kids' bill.

This bill is about and for the children of North Dakota. It was developed by a non-partisan group whose sole intention was to find a way to provide an equitable education to every child in this state. They do not have that now, but if SB 2200 remains on task, they will.

We are pleased with the progress the legislature is making on this very important issue. The $80 million increase in the K-12 appropriation and the new funding formula dramatically improves the state of education equity in North Dakota. And the formula also sets up the next step, a move toward adequacy in education. Once the formula is in place, we will begin the long and arduous job of determining what an adequate education is comprised of and what it will cost.

As a plaintiff in the original lawsuit, I am very pleased with the direction this bill is taking in the legislature, and as we've addressed in the media, as long as the legislature passes the increased funding and the new formula, we will dismiss the lawsuit. Having said that, please understand that we are not done fighting for equity. We strongly believe the final bill can be even better than it is coming out of the Senate right now. While some of the amendments made by the Senate improved the formula, three diminish equity and we hope you will address these problems before final passage.

First, we believe that the imputed oil and gas revenue must be returned to 75 percent, or to obtain true equity, 100% but we are willing to compromise at 75%. At 50 percent, the inequities of the current system are perpetuated. That particular Senate amendment will cost non oil and gas counties millions.

The second recommendation is to return the multiplier for special education contract payments to 4.5, restoring $2.6 million to the special education ADM payment.

The final recommendation is to return teacher FTE money to the per student distribution method. Making this a separately funded item reduces equity. Teacher's salaries are addressed in the original language with 70 percent of the new per student payment going toward teacher salaries.

I want to close by thanking the commission and the legislature for the hard work and vision that have gone into this formula and the bill so far. We are very close to setting a national precedent. If we can get this done outside of court action, we will be the only state to have resolved the equity funding problem without the courts forcing the issue

I implore you to keep the focus of what you are working toward very clear in your minds as you debate SB 2200. This bill is about the kids. We must set aside special interests and the voices of the detractors and address the greater good. This bill is about the kids of North Dakota. This is their bill, and we must do right by them.

**Testimony in Support of SB 2200**
**Paul K. Johnson, Superintendent**
**Bismarck School District**
**Monday, March 5, 2007**

Representative RaeAnn Kelsch, Chair
House Education Committee
RE: New Funding Formula for North Dakota School Districts

Madam Chair and Members of the Committee:

My name is Paul Johnson and I am Superintendent of the Bismarck School District. The Bismarck School District supports SB 2200 with some improvements we will suggest in our testimony. Overall, we believe having the bi-partisan Commission on Education Improvement working on a new system has been productive and we mostly support the new funding formula.

We believe, however, that improvements must be made to the bill in its present form. First of all, we are opposed to the amendments that were added on the Senate side. Our school district could support the amendment to shift more money for Special Education from the per pupil payment to support higher cost students. However, we would be comfortable with all amendments being eliminated and going back to the bill as originally proposed. The amendments do not help school districts who qualify for equity payments.

The funding formula proposed in Senate Bill 2200 can be improved. The improvements should be made in this session if possible, but certainly over the next two sessions. As more information has become available on the long-term effect of the formula, it is evident to us that the gap between high and low property wealth school districts needs to be narrowed. The inequities appear to be more noticeable in the large school districts because of the numbers of students involved.

One of the problems with the formula is that the amount of property wealth available without penalty to districts above the state average is 150% and the amount of equity available to districts below the state average is 90%. That is too large a gap and unfair to the low property wealth districts. There are two typical ways to equalize the property wealth of school districts.

1. Provide low property school districts supplemental foundation aid in the amount to make up the difference.
2. Recapture dollars by lowering the per pupil payment to high wealth districts.

No one likes to have money taken away, hence the demise of the mill levy deduct. However, the Commission learned that it takes an enormous amount of money to offset the dollars available to high wealth districts by making supplemental equity payments to low wealth school districts.

The integrity of this new system of financing schools is at stake. We recommend that the Commission make some adjustments to the formula to provide improved equity between those districts below 90% of the state average and those school districts between 100% and 150% of the state average. The gap is particularly noticeable and less defensible the closer a school district comes to the 150% ceiling.

I will summarize. Our recommendations to improve SB 2200 would be to eliminate all the amendments added to SB 2200 on the Senate side and to adjust the formula, or increase the appropriation, to provide more money to those districts below the state average of imputed taxable valuation per pupil.

Thank you.

2007 North Dakota Legislative Assembly
Senate Education Committee
January 17, 2007
Supporting SB 2200 with Amendment

My name is Mike Kraft.


Mike Kraft
10101 62nd Ave SE
Bismarck, ND 58504-4032

Phone Number (w): 355-5522
Phone Number (h): 258-3801
E-mail: mkraft@btinet.net


I am the School Board President for the Apple Creek School Board.

The Apple Creek School District was organized in 1878. Currently, we have 55 students enrolled in grades K-6. Last year's enrollment was 51. We employ 5 full-time teachers in 5 separate classrooms

I am here to revisit an issue presented to the 2006 ND Governor's Commission on Education Improvement on October 11, 2006 and the Interim Education Committee on October 24, 2006. The Commission did not address the tax implications of those districts paying tuition to a high school district. It over simplifies the process of attributing taxable valuation to students. It ignores significant local taxing efforts (equity of effort) on the part of elementary districts.

Specifically, I am here today to discuss the imputed taxable valuation per pupil (Imputed TaxValPP) and the high valuation deduction. Page 13 lines 23-25 provide the definition of a district's average imputed taxable valuation per student. Page 21 lines 9-21 provide the deduction for having an Imputed TaxValPP higher than 150% of the state average.

Taxpayers in the Apple Creek School District are taxed to pay the cost of educating the students in grades 7-12. Yet, the formula that is presented in the current version of SB2200 not only does not acknowledge this contribution, it punishes our district by creating a "high imputed valuation deduction". Please refer to Exhibit 1.

I would be happy to discuss a possible amendment to the bill. A possible solution would be to add an item to section 23, 3. on Page 22:

> d. an elementary district may count students tuitioned to another school district for the purposes of determining the district's taxable valuation impact on state aid.

Alternatively, similar language could be included on Page 21 near lines 9-21 (i.e. the section that provides for the deduction).

Thank you.

## Exhibit 1

An example, using information published in the Final Draft Report from the Commission dated November 8, 2006 and the projections provided by the Commission dated September 6, 2006, shows Apple Creek's Imputed TaxValPP as $37,825. The sample run shows a $98,780 high valuation deduct.

| | ND | Apple Creek |
|---|---|---|
| Imputed Taxable Valuation | $1,706,813,733 | $1,815,600 |
| Grades PK-12 Base ADM | 95,883 | 48 |
| Imputed TaxValPP | $17,801 | $37,825 |

Using the same example, but giving Apple Creek credit for the 53 high school students (excluding special education) it tuitioned in 2005-2006, shows an Imputed TaxValPP as $17,976. A high valuation deduct would not be applicable in this situation.

| | ND | Apple Creek | |
|---|---|---|---|
| Imputed Taxable Valuation | $1,706,813,733 | $1,815,600 | |
| Grades PK-12 Base ADM | 95,883 | 101 | ← 48 + 53 |
| Imputed TaxValPP | $ 17,801 | $17,976 | |

## Exhibit 2

**Historical Mill Rates:**

| YEAR | Taxable Valuation | General Fund | High School | Total |
|---|---|---|---|---|
| 2002 | $ 1,521,837 | 96.60 | 166.00 | 262.60 |
| 2003 | $ 1,662,682 | 88.42 | 151.94 | 240.36 |
| 2004 | $ 1,766,878 | 83.21 | 142.98 | 226.19 |
| 2005 | $ 2,073,000 | 83.69 | 198.64 | 282.33 |

**High School Tuition Fund Expenses:**

| YEAR | High School | Special Education | Total |
|---|---|---|---|
| 2002-2003 | $ 160,489 | $ 57,890 | $ 218,379 |
| 2003-2004 | $ 178,450 | $ 40,268 | $ 218,718 |
| 2004-2005 | $ 212,153 | $ 66,062 | $ 278,215 |
| 2005-2006 | $ 254,266 | $ 49,224 | $ 303,490 |

**TUITION COSTS DETAILS (High School):**

| YEAR | 7-12 Total Students * | 7-12 Tuition Bill |
|---|---|---|
| 2002-2003 | 42 | $160,489 |
| 2003-2004 | 44 | $178,450 |
| 2004-2005 | 47 | $212,153 |
| 2005-2006 | 53 | $254,266 |

* not counting special education students.

2007 North Dakota Legislative Assembly
House Education Committee
March 5, 2007
Reference: SB 2200

My name is Kathy Mauch. I am a School Board Member and Taxpayer in Apple Creek School District. I am also a parent of two children who graduated from Apple Creek School and transitioned into the Bismarck School District for their middle and high school education. The Apple Creek School District is a K-6 district located in rural Burleigh County southeast of Bismarck. Our enrollment is 54 kids in K-6 and we have 53 kids attending middle and high school in the Bismarck School District.

Today, I would like to speak to you in favor of SB 2200. First of all let me thank you for the hard work in this process. I commend the Superintendents, Legislators, the Governor's office and others for their vision and dedication to addressing equity and adequacy issues for all North Dakota students.

However, I believe there needs to be one more adjustment to the formula. EQUITY...that is what this bill is all about. Several districts filled a Law Suit because the funding formula was not EQUITABLE. So the Governor appointed a Commission to come up with a new formula. As stated they did a great job, except for the calculations for imputed taxable valuation per pupil (Imputed TaxValPP) which is not EQUAL.

Taxpayers in the Apple Creek School District are taxed to pay the cost of educating the students in grades 7-12. They should get credit in the formula for those tax dollars. I believe the issue affects many of the elementary districts.

Currently Inputed Taxable Valuation per pupil is calculated on ADM (Average Daily Membership).

I proposed that Inputed Taxable Valuation (Imputed TaxValPP) should be calculated as follows:

- Inputed Taxable Valuation (Imputed TaxValPP) = (Equals) ADM (Average Daily Membership) +/- Tuitioned Students of the district.
    - For a District with Students Tuitioned **into** the District: Inputed Taxable Valuation would be ADM **Subtract** # Students Tuitioned into the District.
    - For a District with Students Tuitioned **out** of the District: Inputed Taxable Valuation would be ADM **Plus** # Students Tuitioned out of the District.

Tuitioned students should not and would not be counted twice. This minor change would make this bill more equal.

Please hear my plea to amend SB 2200 to make it more EQUITABLE for all.

Thank you.

Kathy Mauch
8300 Pleasantview Road
Bismarck, ND 58504
E-mail: kathleen.mauch@us.army.mil

Phone Number (w): 333-3104
Phone Number (h): 222-8452
Phone Number (c): 400-8452

APPLE CREEK STATISTICS:

**Historical Mill Rates:**

| | Taxable Valuation | General Fund | High School | Total |
|---|---|---|---|---|
| 2000 | $ 1,244,299 | 106.36 | 145.81 | 252.17 |
| 2001 | $ 1,402,297 | 104.83 | 152.67 | 257.50 |
| 2002 | $ 1,521,837 | 96.60 | 166.00 | 262.60 |
| 2003 | $ 1,662,682 | 88.42 | 151.94 | 240.36 |
| 2004 | $ 1,766,878 | 83.21 | 142.98 | 226.19 |
| 2005 | $ 2,073,000 | 83.69 | 198.64 | 282.33 |

**High School Tuition Fund Expenses:**

| Year | High School | Special Education | Total |
|---|---|---|---|
| 2000-2001 | $ 135,538 | $ 42,695 | $ 178,234 |
| 2001-2002 | $ 156,821 | $ 58,397 | $ 215,218 |
| 2002-2003 | $ 160,489 | $ 57,890 | $ 218,379 |
| 2003-2004 | $ 178,450 | $ 40,268 | $ 218,718 |
| 2004-2005 | $ 212,153 | $ 66,062 | $ 278,215 |
| 2005-2006 | $ 254,266 | $ 49,224 | $ 303,490 |

**TUITION COSTS DETAILS (High School):**

| YEAR | 9-12 Students | 9-12 Tuition/Student | 7-8 Students | 7-8 Tuition/Student | 7-12 Total Students | 7-12 Tuition Bill |
|---|---|---|---|---|---|---|
| 2002-2003 | 29 | $ 3,787.40 | 13 | $ 3,555.75 | 42 | $160,489 |
| 2003-2004 | 30 | $ 4,085.57 | 14 | $ 3,926.49 | 44 | $178,450 |
| 2004-2005 | 29 | $ 4,863.00 | 18 | $ 4,301.95 | 47 | $212,153 |
| 2005-2006 | 35 | $ 5,125.00 | 18 | $ 4,658.88 | 53 | $254,266 |

# Senate Bill 2200 Testimony

**Provided by Scott Moum, Business Manager Minot Public Schools**
**1-17-2007**

Mr. Chairman, members of the committee, thank you for allowing me to appear before you today. I would also like to thank the members of the Governor's Commission on Education for all their efforts to strive towards an education funding formula that addresses equity and adequacy. While I share the concerns stated earlier by Dr. Looysen, I am here to speak to you about some additional issues regarding the current funding formula for k-12 education being proposed in Senate Bill 2200. I believe one of the most difficult challenges the Commission and this legislature face is trying to find an answer to the question: what is equity? Is it having the same revenue resources, or is it having the same costs per pupil, or better yet is it providing the same educational opportunities for all students in N.D. so that all students can have access to the same curricular opportunities? I am not sure that question has ever really been answered and until it is answered it will be difficult, if not impossible, to achieve equity and then adequacy in any state funding formula.

However that being said, it appears that the Commission's answer to the question "what is equity" has simply been this: equity equals taxable valuation per student plus an imputed valuation per student for other revenue from Mineral Wealth and Tuition (it appears to Minot that the tuition portion is only included so that Minot and Grand Forks' tuition from impact aid can be used to exclude them from an equity payment).

If equity is truly the issue, why did the Commission's final report, which included a 2% transition minimum, a 150% high valuation offset and a 170 minimum mill levy offset, get changed to a 3% transition minimum, only using 75% of the 150% high valuation offset and a 155 minimum mill levy for 2007-2008 and 160 minimum mill levy each year thereafter when it was introduced as proposed legislation. Do those last minute changes bring us closer to what the Commission has deemed as equity? No, they do not. I don't believe anyone can say those changes make things more equitable even under the Commission's definition of equity. In fact I've been told by members of the Commission that it does not. If that's true, then I truly need to ask if this process is working. If we are changing the formula purely for the purpose of gaining more political support and not to make it more equitable, then I believe we are going in the wrong direction.

The formula appears to also come up short in areas like the high valuation offset in section 22 of Senate Bill 2200; one has to wonder what will happen to a district who's valuation is rapidly rising (say for example West Fargo). As they would continue to move further above the state average in valuation per pupil, but yet remain under the 150% limit, they would have no high valuation offset. But yet they would have significantly more local resources available to them than comparable districts that remain closer to the state average. Will that not create a greater disparity between the haves and have-nots? I believe it would.

I've given you a comparison, here on page 2, of four school districts (these are actual N.D. school districts) and the % increases they would all receive using the data printout from the Commission's Final Report and the most recent data printout correlating to Senate Bill 2200:

| | Minot | District A | District B | District C |
|---|---|---|---|---|
| GF Mill Levy | 197 | 159 | 150 | 140 |
| Imputed Taxable Valuation per pupil | $17,801 | $30,753 | $28,641 | 23,605 |
| % increase per the **Commission Final Report** | | | | |
| Year 1 | 6.85% | 2.00% | 4.92% | 4.78% |
| Total Year 1 & Year 2 | **9.00%** | **2.00%** | **9.00%** | **9.00%** |
| % increase per **SB 2200** | | | | |
| Year 1 | 3.96% | 4.92% | 7.00% | 7.00% |
| Total Year 1 & Year 2 | **8.19%** | **8.34%** | **13.50%** | **13.27%** |

The above comparison clearly indicates that all of the changes that were made to the Commission's Final Report and presented in SB 2200 moved the new funding formula further away from equity, not closer. All three districts in the comparison were over 130% of the state average in imputed valuation per pupil and were levying below 160 mills, but yet they all gain significantly from the changes made to the Commission's final report and which are now being proposed in SB 2200.

The balance of my testimony is included in written form on the following two pages. These additional comments support and reiterate comments made by Dr. Looysen in regard to Minot's concern regarding the use of revenue from impact aid in the computation of imputed taxable valuation.

Again, thank you for allowing me to speak to you today.

Please understand Impact Aid is never stable; it's a fight each and every year to maintain the proper level of funding. This is a direct quote from a letter written in 1969 from a former Minot Superintendent of Schools: *"During the past several years there has been a continuous rise in educational costs. These costs have placed a greater burden upon our local tax payers. The Community of Minot has continuously levied a tax of 175% of the legal limit as set by the laws of the State of N.D. This is being done with a favorable vote of 66% of the voters of Minot Public School District #1."* So for years the patrons of the Minot School District subsidized the cost of educating the children on the base but now that impact aid is more adequately meeting the costs of educating those military dependents we must ask ourselves why does the State of N.D. feel that it should try to provide equity to the rest of N.D (at least in part) on the back of impact aid which is truly intended to be used for the education of military dependent students?

Below is a comparison of four school districts all who receive some type of revenue that comes from impact aid. However simply because of the manner in which Minot Air Force Base PSD#160 was setup to pay for the educational costs of the federally connected students to be educated by Minot PSD#1, only Minot in this comparison (and Grand Forks overall) are forced to count the revenue resulting from impact aid against them in a calculation of imputed taxable valuation.

| | **Minot** | District A | District B | District C | |
|---|---|---|---|---|---|
| General Fund Levy | 197 | 169 | 172 | 0 | |
| Average Costs/Pupil | $6,642 | $7,712 | $7,449 | $9,154 | |
| Equity Payment | $0 | $463,003 | $59,209 | $1,050,269 | |
| % of increase per SB 2200 | 3.96% | 10.77% | 13.60% | 4.23% | Year 1 |
| | 4.23% | 5.53% | 6.50% | 4.63% | Year 2 |
| Total for both years | 8.19% | 16.12% | 20.10% | 8.86% | |

The above comparisons makes those of us in Minot ponder these questions: If districts A, B and C are all spending more per student and making less local effort, how in any formula that claims to address equity, can those districts, in some cases receive more than twice the percentage increase as Minot and all of them qualify for an equity payment?

There was an article in last week's Minot Daily News about an additional 300 Minot AFB personnel being deployed. Do we truly want to send these active military parents a message that the State of North Dakota wants to support the schools that are handling the difficult process of educating and counseling their children in a manner different and less favorably than we treat other districts that receive money for federally connected students especially at a time when they are being sent away to fight the War on Terror?

Again, I need to emphasize the uncertainty of funding and the legal battles we encounter each and every year to maintain the level of funding we currently receive. If the Minot School District would ever lose that level of funding for the federally connected students we would immediately become eligible under the proposed formula for an equity payment from the State in excess of $5 million dollars. In other words we would lose between $6 and $8 million dollars in federal funding but would then receive approximately $5 million dollars in an equity payment from the state.

The Minot School District has to consider this question, "Why does the formula, created by the Commission, only use the impact aid revenue Minot & Grand Forks receive in their calculation of imputed valuation and not the impact aid other districts receive? I know the Commission's answer and their answer is simple; because in their opinion **they can**. I asked one Commission member that very question and he stated that if it were legal they would use all impact aid received in the state in the calculation of imputed value but they know that according to Federal Law they can't. So again the question remains, how is it equitable that only Minot and Grand Forks, simply because of the manner in which those Districts on the military installations were set up, have their revenue from impact aid counted against them. I'm not sure anyone can answer that question.

*Provides that only after approval by the LEA can the Department of Education transfer any facility it (DoED) owns to the LEA.*

enactment of the Improving America's Schools Act of 1994).

(b) TRANSFER OF FACILITIES.—

(1) IN GENERAL.-The Secretary shall, as soon as practicable, transfer to the appropriate local educational agency or another appropriate entity all the right, title, and interest of the United States in and to each facility provided under section 10 of the Act of September 23, 1950 (Public Law 815, 81st Congress), or under section 204 or 310 of the Act of September 30, 1950 (Public Law 874, 81st Congress) (as such Acts were in effect on January 1, 1958).

(2) OTHER REQUIREMENTS.-Any such transfer shall be without charge to such agency or entity, and prior to such transfer, the transfer shall be consented to by the local educational agency or other appropriate entity, and may be made on such terms and conditions as the Secretary deems appropriate to carry out the purposes of this title.

*Indicates that a state with an approved plan cannot factor in those payments a school district would receive that are calculated in excess of 1.0 or those dollars a district would receive under the heavily impacted program -- 8003 (b)(2). Because 8009(b) allows only payments received under Section 8002 and Section 8003 (b) to be considered -- payments received under 8003 (d) disabilities and 8007 school construction cannot be considered.*

**Section 8009. State Consideration of Payments in Providing State Aid.**

*Prohibits a state from using impact aid funds to reduce state aid payments to LEAs unless it has an approved equalization program in effect.*

(a) GENERAL PROHIBITION.-Except as provided in subsection (b), a State may not –

(1) consider payments under this title in determining for any fiscal year—

(A) the eligibility of a local educational agency for State aid for free public education; or

(B) the amount of such aid; or

(2) make such aid available to local educational agencies in a manner that results in less State aid to any local educational agency that is eligible for such payment than such agency would receive if such agency were not so eligible.

(b) STATE EQUALIZATION PLANS.—

(1) IN GENERAL.-A State may reduce State aid to a local educational agency that receives a payment under section 8002 or 8003(b) (except the amount calculated in excess of 1.0 under section 8003(a)(2)(B)) and with respect to a local educational agency that receives a payment under section 8003(b)(2), the amount in excess of the amount that the agency would receive if the agency were deemed to be an agency eligible to receive a payment under section 8003(b)(1) and not section 8003(b)(2) for any fiscal year if the Secretary determines, and certifies under subsection (c)(3)(A), that such State has in effect a program of State aid that equalizes expenditures for free public education among local educational agencies in such State.

(2) COMPUTATION.—

(A) IN GENERAL.-For purposes of paragraph (1), a program of State aid



Dave
Hunt

equalizes expenditures among local educational agencies if, in the second fiscal year preceding the fiscal year for which the determination is made, the amount of per-pupil expenditures made by, or per-pupil revenues available to, the local educational agency in the State with the highest such per-pupil expenditures or revenues did not exceed the amount of such per-pupil expenditures made by, or per-pupil revenues available to, the local educational agency in the State with the lowest such expenditures or revenues by more than 25 percent.

(B) OTHER FACTORS.-In making a determination under this subsection, the Secretary shall—

(i) disregard local educational agencies with per-pupil expenditures or revenues above the 95th percentile or below the 5th percentile of such expenditures or revenues in the State; and

(ii) take into account the extent to which a program of State aid reflects the additional cost of providing free public education in particular types of local educational agencies, such as those that are geographically isolated, or to particular types of students, such as children with disabilities.

(3) EXCEPTION.-Notwithstanding paragraph (2), if the Secretary determines that the State has substantially revised its program of State aid, the Secretary may certify such program for any fiscal year only if—

(A) the Secretary determines, on the basis of projected data, that the State's program will meet the disparity standard described in paragraph (2) for the fiscal year for which the determination is made; and

(B) the State provides an assurance to the Secretary that, if final data do not demonstrate that the State's program met such standard for the fiscal year for which the determination is made, the State will pay to each affected local educational agency the amount by which the State reduced State aid to the local educational agency.

(c) PROCEDURES FOR REVIEW OF STATE EQUALIZATION PLANS.—

(1) WRITTEN NOTICE.—

(A) IN GENERAL.-Any State that wishes to consider payments described in subsection (b)(1) in providing State aid to local educational agencies shall submit to the Secretary, not later than 120 days before the beginning of the State's fiscal year, a written notice of such State's intention to do so.

(B) CONTENTS.-Such notice shall be in the form and contain the information the Secretary requires, including evidence that the State has notified each local

*An approved state equalization program is defined as a program which ensure that expenditures made or revenues received at the LEA with the highest expenditures or revenues did not exceed the expenditures made or revenues received at the LEA with the lowest expenditures or revenues. Determinations will be made on the data from second preceding year.*

*Disparity cannot exceed 25%.*

*Takes into account only those LEAs with per-pupil expenditures or revenues above the fifth percentile and below the 95th percentile; and also takes into account the additional costs for educating particular types of children (geographically isolated, disabled) incorporated in state aid programs.*

educational agency in the State of such State's intention to consider such payments in providing State aid.

(2) OPPORTUNITY TO PRESENT VIEWS.-Before making a determination under subsection (b), the Secretary shall afford the State, and local educational agencies in the State, an opportunity to present their views.

(3) QUALIFICATION PROCEDURES.-If the Secretary determines that a program of State aid qualifies under subsection (b), the Secretary shall—

(A) certify the program and so notify the State; and

(B) afford an opportunity for a hearing, in accordance with section 8011(a), to any local educational agency adversely affected by such certification.

*State cannot equalize before it has been certified.*

(4) NON-QUALIFICATION PROCEDURES.-If the Secretary determines that a program of State aid does not qualify under subsection (b), the Secretary shall—

(A) so notify the State; and

*Outlines the grievance process and provides that in the event an LEA feels a state has reduced its state aid payment illegally the LEA may, after 150 days and no administrative or remedial action has occurred, go directly to federal court to challenge the action.*

(B) afford an opportunity for a hearing, in accordance with section 8011(a), to the State, and to any local educational agency adversely affected by such determination.

(d) TREATMENT OF STATE AID.—

(1) IN GENERAL.-If a State has in effect a program of State aid for free public education for any fiscal year, which is designed to equalize expenditures for free public education among the local educational agencies of that State, payments under this title for any fiscal year may be taken into consideration by such State in determining the relative—

(A) financial resources available to local educational agencies in that State; and

(B) financial need of such agencies for the provision of free public education for children served by such agency, except that a State may consider as local resources funds received under this title only in proportion to the share that local tax revenues covered under a State equalization program are of total local tax revenues.

(2) PROHIBITION.-A State may not take into consideration payments under this title before such State's program of State aid has been certified by the Secretary under subsection (c)(3).

(e) REMEDIES FOR STATE VIOLATIONS.—

(1) IN GENERAL.-The Secretary or any aggrieved local educational agency may, not earlier than 150 days after an adverse determination by the Secretary against a State for violation of subsections (a) or (d)(2) or for failure to carry out an assurance under subsection (b)(3)(B), and if an administrative proceeding has not been

concluded, within such time, bring an action in a United States district court against such State for such violations or failure.

(2) IMMUNITY.-A State shall not be immune under the 11th amendment to the Constitution of the United States from an action described in paragraph (1).

(3) RELIEF.-The court shall grant such relief as the court determines is appropriate.

*Section 60003 of P.L. 105-18 — FY1997 Emergency Supplemental Appropriations Act

**Section 8010. Federal Administration.**

(a) PAYMENTS IN WHOLE DOLLAR AMOUNTS.-The Secretary shall round any payments under this title to the nearest whole-dollar amount.

(b) OTHER AGENCIES.-Each Federal agency administering Federal property on which children reside, and each agency principally responsible for an activity that may occasion assistance under this title, shall, to the maximum extent practicable, comply with requests of the Secretary for information the Secretary may require to carry out this title.

(c) SPECIAL RULES.—

(1) CERTAIN CHILDREN ELIGIBLE UNDER SUBPARAGRAPHS (A) AND (G)(ii) OF SECTION 8003(a)(1).- (A) The Secretary shall treat as eligible under subparagraph (A) of section 8003(a)(1) any child who would be eligible under such subparagraph except that the Federal property on which the child resides or on which the child's parent is employed is not in the same State in which the child attends school, if such child meets the requirements of paragraph (2) of this subsection.

(B) The Secretary shall treat as eligible under subparagraph (G) of section 8003(a)(1) any child who would be eligible under such subparagraph except that such child does not meet the requirements of clause (ii) of such subparagraph, if such child meets the requirements of paragraph (2) of this sub-section.

*Addresses the method of payments.*

(2) REQUIREMENTS.-A child meets the requirements of this paragraph if-

(A) such child resides-

(i) in a State adjacent to the State in which the local educational agency serving the school such child attends is located; or

(ii) with a parent employed on Federal property in a State adjacent to the State in which such agency is located;

(B) the schools of such agency are within a more reasonable commuting distance of such child's home than the schools of the local educational agency that serves the school

*Allows payments to be made for children attending a public school in a state adjacent to their residence if because of geographical reasons it is impracticable to attend a school district in their state of residence. Receiving school district must receive state aid for these students.*

January 15, 2007

Senator Freborg, Chairman
Senate Education Committee

Federal Impact Aid is very important to the Minot School Board, the Minot School District and the Minot Air Force Base.

I have discussed this issue with all the Minot board members. The Minot board is unanimous in our support to remove any provision, from the state funding formula, that would reduce our state aid by deducting all or part of our federal impact aid.

Some people feel that federal impact aid been a windfall for the Minot School District. On the contrary, you need only to look at state education statistics. You will see that Minot is at the 185 mill cap, that our per pupil cost of education is below the state average and that we are below the state average on taxable valuation behind each student. This does not reflect a district with too much revenue.

To say we can support the remainder of the funding proposal is premature, as we know that many changes can still be made. We will work with the education funding proposal as it makes its way through the legislature. We ask for your support throughout, to make sure that the Minot School District is treated fairly. To us, the Minot School Board, the first step is to remove the provision for any reduction of impact aid.

Sincerely,

Roger Slotsve

Position Paper of the Minot Public School Board
In regard to Senate Bill 2200

Mr. Chairman, members of the committee, thank you for allowing me to appear before you today and share with you some of the Minot Public Schools' concerns with the current funding formula for K-12 education being proposed in Senate Bill 2200. I would like to take this opportunity to thank the members of the Governor's Commission on Education for their hard work and long hours spent trying to arrive at an education funding formula that addresses the equity and adequacy concerns of all school districts in North Dakota.

Federal Public Law 103-382: Impact Aid prohibits a state from using impact aid funds to reduce state aid payments to local education agencies (LEAs) unless it has an approved equalization program in effect. The Impact Aid Law Section 8009, which addresses this issue, is attached as an exhibit. It is therefore the position of the Minot Public School District, Board, and Administration that **no** school district in the State of N.D. which receives revenue either directly or indirectly, from impact aid, should have their state funding significantly reduced in any type of state funding formula because of that revenue which is related to impact aid, per the intent of Section 8009 of the Federal Impact Aid Law.

Senate Bill No. 2200 does not follow the Federal Impact Aid Law. We are proud to be the home of Minot Air Force Base. The only income that the Minot Air Force Base #160 receives is from

Dave -
Segs Minot + Minot AF Base.

Impact Aid. That money is transferred to the Minot Public School #1 to educate the military dependent children. These funds are clearly impact aid funds. SB 2200 places the impact aid funds in the formula and imputes the value, which in turn distributes it to all of the schools in North Dakota. This is clearly in violation of the intent of Section 8009 of the Federal Impact Aid Law.

Impact aid was originated to take the place of property tax not paid on the base. There are people in the state that feel that federal impact aid has been a windfall for the Minot School District. On the contrary, one needs only to look at state education statistics. One will see that Minot is at the 185 mill cap. Our per pupil cost of education is **below** the state average, and we are **below** the state average on taxable valuation behind each student. This does not reflect a district with too much revenue. Over the years, impact aid has been a challenge to the Minot Public Schools. Administrators and board members bi-annually meet with the congressional team in Washington, D.C. in order to ensure that funding continues for the children of military families on the base. Funds for impact aid are appropriated on a yearly basis, and this year they have not yet voted on this appropriation. The Minot School District has to have a large enough interim fund to allow us to pay for the education of the military dependent children until we receive the funds. In the early 90's several million dollars of impact aid was not sent to the Minot district. During that time Minot had to go through non-renewal hearings with our teachers and make do with fewer funds until in the late 90's the dollars were sent to the district. This is a common occurrence with impact aid funds.

In closing, I would like to repeat the position of the Minot Public School District, Board, and Administration. It is that **no** school district in the State of N.D. which receives revenue, either directly or indirectly, from impact aid, should have their state funding significantly reduced in any type of state funding formula, because of that revenue which is related to impact aid, per the intent of Section 8009 of the Federal Impact Aid Law.

# Senate Education Committee

Re: SB 2200 School Funding

Date: January 17, 2007

The Honorable Layton W. Freborg
State Senator
State Capitol Building
600 East Boulevard
Bismarck, ND 58505-0360

Mr. Chairman and Members of the Senate Education Committee:

My name is Paul Stremick, Superintendent of Dickinson Public Schools. I am here to testify in favor of the school funding formula as outlined in SB 2200.

At this point federal funds are not considered in the proposed formula. There are guidelines a state must meet to include federal funds. One guideline is that spending between districts must be within a 25% range. Typical ranges of spending in states that have gone through lawsuits are from 20-25% before school size factors are applied. The range proposed in the funding formula is 60% excluding school size.

The calculation for imputed valuation has drawn much attention. The rationale for imputing county revenue (mineral wealth) is due to the fact these taxes are paid in lieu of property taxes. The commission decided to use only 75% of county revenue in the formula because these resources are not available in other funds to raise revenue. Tuition is calculated the same as county revenue due to the fact data was not available to subtract tuitioning students from ADM totals. If the students were going to be counted in the formula the revenue that follows them must also be counted.

I have created a few slides I would like to go over to illustrate the impact the proposed formula has on county and tuition revenue, high valuation and graded elementary schools.

Thank you for the opportunity to submit this testimony. I would be happy to answer any questions or provide more information if you would like.

## High value districts have an advantage after equity adjustments
## Examples: Current Formula

- District #1
  - ADM = 400
  - Taxable Valuation = 8,000,000
  - Tuition & County = 1,000,000
  - Mill Rate = 150
  - ITVPP = 0
- Main Formula State Aid = 1,200,000
  - Supplemental Equity = 0
  - Mill Deduct = 288,000
  - Minimum Levy Deduct = 0
- Total State Aid = 912,000
- Property Tax = 1,200,000
- Tuition & County = 1,000,000
- Grand Total = 3,112,000
- Total Per Pupil = 7,780

- District #2
  - ADM = 400
  - Taxable Valuation = 3,340,000
  - Tuition & County = 0
  - Mill Rate = 180
  - ITVPP = 0
- Main Formula State Aid = 1,200,000
  - Supplemental Equity = 200,000
  - Mill Deduct = 120,240
  - Minimum Levy Deduct = 0
- Total State Aid = 1,279,760
- Property Tax = 601,200
- Tuition & County = 0
- Grand Total = 1,880,960
- Total Per Pupil = 4,702

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## High value districts continue to have an advantage after equity adjustments
## Examples: Proposed Formula

- District #1
  - ADM = 400
  - Taxable Valuation = 8,000,000
  - Tuition & County = 1,000,000
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 40,000
- Total State Aid = 988,211
- Property Tax = 1,200,000
- Tuition & County = 1,000,000
- Grand Total = 3,188,211
- Total Per Pupil = 7,971

- District #2
  - ADM = 400
  - Taxable Valuation = 3,340,000
  - Tuition & County = 0
  - Mill Rate = 180
  - ITVPP = 8,350 (47%)
- Main Formula State Aid = 1,350,000
  - Equity = 535,612
  - High Valuation Offset = 0
  - Minimum Levy Offset = 0
- Total State Aid = 1,885,612
- Property Tax = 601,200
- Tuition & County = 0
- Grand Total = 2,486,812
- Total Per Pupil = 6,217

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## High valuation still results in more funds
## Examples: Proposed Formula

- District #8
  - ADM = 400
  - Taxable Valuation = 10,680,000
  - Tuition & County = 0
  - Mill Rate = 150
  - ITVPP = 26,702 (150%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 0
  - Minimum Levy Offset = 53,400
- Total State Aid = 1,296,600
- Property Tax = 1,602,000
- Tuition & County = 0
- Grand Total = 2,898,600
- Total Per Pupil = 7,247

- District #3
  - ADM = 400
  - Taxable Valuation = 13,000,000
  - Tuition & County = 0
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 65,000
- Total State Aid = 963,211
- Property Tax = 1,950,000
- Tuition & County = 0
- Grand Total = 2,913,211
- Total Per Pupil = 7,283

33

## Tuition/county wealth is more valuable than property wealth
## Examples: Proposed Formula

- District #1
  - ADM = 400
  - Taxable Valuation = 8,000,000
  - Tuition & County = 1,000,000
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 40,000
- Total State Aid = 988,211
- Property Tax = 1,200,000
- Tuition & County = 1,000,000
- Grand Total = 3,188,211
- Total Per Pupil = 7,971

- District #3
  - ADM = 400
  - Taxable Valuation = 13,000,000
  - Tuition & County = 0
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 65,000
- Total State Aid = 963,211
- Property Tax = 1,950,000
- Tuition & County = 0
- Grand Total = 2,913,211
- Total Per Pupil = 7,283

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K-8 districts have never been able to take advantage of equalization by counting high school students
(Current Formula)

- Not Eligible for Supplemental Equity
- Approximately $600 per ADM is redistributed due to a 41 mill deduct
- Mill Deduct Calculation
  - ADM = 150 (K-8)
  - Tax. Valuation = $2,439,024
- Example:

  150 X 600 = 90,000
  2,439,024 X .041 = 100,000

  **Net Effect = -10,000**

35

K-8 districts benefit from lower tuition
(Comparison)

| Current Formula | | Proposed Formula | |
|---|---|---|---|
| Average Cost Per Pupil | 6,881.75 | Average Cost Per Pupil | 6,881.75 |
| Plus State Avg. Capital Outlay | 487.02 | Plus State Avg. Capital Outlay | 487.02 |
| Plus State Avg. Cost for X-Cur. | 202.39 | Plus State Avg. Cost for X-Cur. | 202.39 |
| Total Avg. Cost Per Pupil | **7,571.16** | Total Avg. Cost Per Pupil | **7,571.16** |
| State Foundation Aid | 2,879.00 | State Foundation Aid | 3,090.00 |
| Less Mill Deduct Per Pupil | 750.35 | Less Mill Deduct Per Pupil | 0.00 |
| Net State Aid Per Pupil | **2,128.65** | Net State Aid Per Pupil | **3,090.00** |
| Tuition Charge Per Pupil | **5,442.51** | Tuition Charge Per Pupil | **4,481.16** |

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4→1

# Senate Education Committee

Re: SB 2200 School Funding

Date: March 5, 2007

The Honorable RaeAnn G. Kelsch
State Representative
State Capitol Building
600 East Boulevard
Bismarck, ND 58505-0360

Madam Chair and Members of the House Education Committee:

My name is Paul Stremick, Superintendent of Dickinson Public Schools. I am here to testify in favor of the school funding formula as outlined in SB 2200.

The original SB 2200 revamps the funding of schools in North Dakota and creates a comprehensive funding formula. The amended version of SB 2200 creates winners and losers based on what is in or out of the formula. As an example, a school district which has considerable county revenue will obviously want the imputed value to drop from 75% to 50%. It will make that district poorer, but it also lowers the State Average Imputed Valuation which makes districts without county revenue richer. The removal of Teacher Compensation from the formula has a similar effect. Rich districts become richer and poor districts become poorer.

I have created a few slides to illustrate the impact the amendments have made on equity, county/tuition revenue and high valuation districts.

Thank you for the opportunity to submit this testimony. I would be happy to answer any questions or provide more information if you would like.

## Tuition/county wealth is more valuable than property wealth
## Examples: Commission Formula
## (State Average = 17,801)

- District #1
  - ADM = 400
  - Taxable Valuation = 8,000,000
  - Tuition & County = 1,000,000
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 0
- Total State Aid = 1,028,211
- Property Tax = 1,200,000
- Tuition & County = 1,000,000
- Grand Total = 3,228,211
- Total Per Pupil = 8,071

- District #2
  - ADM = 400
  - Taxable Valuation = 13,000,000
  - Tuition & County = 0
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 0
- Total State Aid = 1,028,211
- Property Tax = 1,950,000
- Tuition & County = 0
- Grand Total = 2,978,211
- Total Per Pupil = 7,445

1

## Tuition/county wealth is even more valuable than property wealth
## Examples: Senate Amended Formula
## (State Average ITVPP = 17,271)

- District #1
  - ADM = 400
  - Taxable Valuation = 8,000,000
  - Tuition & County = 1,000,000
  - Mill Rate = 150
  - ITVPP = 28,333 (164%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 134,643
  - Minimum Levy Offset = 0
- Total State Aid = 1,215,357
- Property Tax = 1,200,000
- Tuition & County = 1,000,000
- Grand Total = 3,415,357
- Total Per Pupil = 8,538

- District #2
  - ADM = 400
  - Taxable Valuation = 13,000,000
  - Tuition & County = 0
  - Mill Rate = 150
  - ITVPP = 32,500 (188%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 365,912
  - Minimum Levy Offset = 0
- Total State Aid = 984,088
- Property Tax = 1,950,000
- Tuition & County = 0
- Grand Total = 2,934,088
- Total Per Pupil = 7,335

2

## All appropriations are included in the formula
## Examples: Commission Formula

- District #1
  - ADM = 400
  - Taxable Valuation = 8,000,000
  - Tuition & County = 1,000,000
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,350,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 0
- Total State Aid = 1,028,211
- Property Tax = 1,200,000
- Tuition & County = 1,000,000
- Grand Total = 3,228,211
- Total Per Pupil = 8,071

- District #3
  - ADM = 400
  - Taxable Valuation = 3,340,000
  - Tuition & County = 0
  - Mill Rate = 180
  - ITVPP = 8,350 (47%)
- Main Formula State Aid = 1,350,000
  - Equity = 535,612
  - High Valuation Offset = 0
  - Minimum Levy Offset = 0
- Total State Aid = 1,885,612
- Property Tax = 601,200
- Tuition & County = 0
- Grand Total = 2,486,812
- Total Per Pupil = 6,217

3

## Equity is decreased by removing Teacher Comp from the formula
## Examples: Senate Amended Formula (TC only)

- District #1
  - ADM = 400
  - Taxable Valuation = 8,000,000
  - Tuition & County = 1,000,000
  - Mill Rate = 150
  - ITVPP = 32,500 (183%)
- Main Formula State Aid = 1,255,000
  - Equity = 0
  - High Valuation Offset = 321,789
  - Minimum Levy Offset = 0
  - Teacher Comp = 100,000
- Total State Aid = 1,033,211
- Property Tax = 1,200,000
- Tuition & County = 1,000,000
- Grand Total = 3,233,211
- Total Per Pupil = 8,083

- District #3
  - ADM = 400
  - Taxable Valuation = 3,340,000
  - Tuition & County = 0
  - Mill Rate = 180
  - ITVPP = 8,350 (47%)
- Main Formula State Aid = 1,255,000
  - Equity = 535,612
  - High Valuation Offset = 0
  - Minimum Levy Offset = 0
  - Teacher Comp = 90,000
- Total State Aid = 1,880,612
- Property Tax = 601,200
- Tuition & County = 0
- Grand Total = 2,481,812
- Total Per Pupil = 6,204

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## K-8 districts have never been able to take advantage of equalization by counting high school students (Current Formula)

- Not Eligible for Supplemental Equity
- Approximately $600 per WPU is redistributed due to a 41 mill deduct
- Mill Deduct Calculation
  - WPU = 150 (K-8)
  - Tax. Valuation = $2,439,024
- Example:

  150 X 600 = 90,000
  2,439,024 X .041 = 100,000

  Net Effect = -10,000

5

## K-8 districts benefit from lower tuition – Comparison (West Fargo)

| Current Formula | | Commission Formula | |
|---|---|---|---|
| Average Cost Per Pupil | 6,881.75 | Average Cost Per Pupil | 6,881.75 |
| Plus State Avg. Capital Outlay | 487.02 | Plus State Avg. Capital Outlay | 487.02 |
| Plus State Avg. Cost for X-Cur. | 202.39 | Plus State Avg. Cost for X-Cur. | 202.39 |
| Total Avg. Cost Per Pupil | **7,571.16** | Total Avg. Cost Per Pupil | **7,571.16** |
| State Foundation Aid | 2,879.00 | State Foundation Aid | 3,090.00 |
| Less Mill Deduct Per Pupil | 750.35 | Less Mill Deduct Per Pupil | 0.00 |
| Net State Aid Per Pupil | **2,128.65** | Net State Aid Per Pupil | **3,090.00** |
| Tuition Charge Per Pupil | **5,442.51** | Tuition Charge Per Pupil | **4,481.16** |

6

Madam Chair and members of the House Education Committee: for the record my name is Jason Kersten. I am the superintendent of Bottineau and Newburg United Public Schools. I am here to testify against SB 2200.

My testimony today will be more for the Newburg United School District. As I have looked through this bill and followed it over the past few months, I cannot agree it is great for the State of North Dakota. I sure don't believe it is for Newburg. When the original figures came out last summer, Newburg United (74 students K-12) was to receive approximately $188,000 more from the state. I realized at this time when the formula was going to be "tweaked" that Newburg United would not get $188,000 nor do I believe they should have. When the second printout came out, Newburg United was to receive approximately $3,100. Now I am not a mechanic and never been accused of being a smart man, but going from $188,000 to $3,100 to me is not a tweak, but a major overhaul. I do believe the amendments, put on to this bill are a good start. Newburg United does still stay in the 2% bracket and would receive $2,225.00. But many schools including Bottineau did go from 2% to 7%. I have heard different rumors and read articles stating these amendments could possibly be taken out. I hope this does not happen.

Equity has been the main concern with this bill. I would like to compare some numbers from the 2005-06 school finance facts:

School A

| Type | Amount | Percent |
|---|---|---|
| Local/CO | 836,406 | 73.3% |
| State | 212,484 | 18.6% |

This district has a total revenue of $1,140,557. The cost per pupil is $13,459. The taxable valuation (06-07) is $5,115,724 with a general fund mill levy of 159.31. This school had a 19% carryover this past year. Under the current formula with the amendments staying intact, this school would receive an additional $2,225 from the state.

School B

| Type | Amount | Percent |
|---|---|---|
| Local/CO | 622,275 | 27.9% |
| State | 1,423,792 | 63.7% |

The district has a total revenue of $2,234,359. Their cost per pupil is $5,720. The taxable valuation (06-07) is $3,480,760 with the general fund levy of 156.94. This school has a 6% carryover this past year. Under the current formula with the amendments staying intact, this school would receive an additional $445,478 from the state.

The main comparison I am looking at are the percents of local and sate. Is it equity that school A has to get 73.3% of their revenue from the local patrons and only 18.6 % from the state, compared to School B getting 27.9% from local and 63.7% from state? This funding bill in my opinion will only encourage an increase in the local/co money for school A. I have a tough time seeing how this is equitable.

I realize in the case of Newburg United, we do have the ability to raise our mill levy. But, why should there be such a big difference between what the sate and local/co? Newburg United will never be any higher than the 2% the 1st year and 3% the next. We will never get out of the high valuation offset. I also see no guarantees with this bill. The only guarantee I see is the 2% the 1st year. After the first year, my understanding is there is supposed to be a 3% increase. But the 2nd year is based on the baseline funding per student. It is my understanding a school might receive approximately $1,345 per student. This would be based on the current year which could mean you could receive less money with any decline in enrollment. Also, it is my understanding that this baseline is not the same for each school, but can vary. Is this equity? Newburg United is basically a consolidated district. This was done back in 1990. It is made up of Newburg, Maxbass, and Kramer. We have closed buildings, cut bus routes, and combined classes. I feel our kids are getting a good education. But, I don't feel that our patrons should have to pay a higher percentage than they already are. This will happen with SB 2200.

In conclusion, I do not feel this bill right now is equitable. I do not have an answer on what can be done. I do feel a change needs to made. But, there doesn't seem to be a happy medium. You either win big or lose. I thank all of you for your time. I would also encourage a DNP on this bill. I would be happy to answer any questions you may have.

**Beulah School District**
**Home of the Miners**
**204 5th Street NW**
**Beulah, North Dakota 58523**
**Phone # 873-2237, Fax 873-5273**
**Email Al.liebersbach@sendit.nodak.edu**

TO: Chairperson Kelsch and Members of the House Education Committee
FROM: Mr. Al Liebersbach, Superintendent Beulah School District
DATE: March 5, 2007
SUBJECT: Testimony on SB 2200

Chairperson Kelsch and members of the House Education Committee

My name is Al Liebersbach, and I am the Superintendent of the Beulah School District. I come to you today representing the Beulah School District and the Beulah School District Board of Education in support of SB 2200, as passed by the State Senate, which develops a new and more equitable funding system for education in the state of North Dakota. While there are many things contained within SB 2200, I will direct my comments today to one specific part of the bill. I will speak today to what is I will call the Taylor amendment to the bill dealing with the imputation of coal conversion, severance and other oil tax revenues at the 50% level vs. the original 75% level. One of my first official functions as Superintendent of Schools in Beulah was to attend the public meeting of the Governors Commission on Education in Devils Lake. At that time the proposals that eventually became SB 2200 were still in the formation phase. In the original equity formula proposal, a district's total other local revenue (coal, oil, tuition and other local revenues) was to be subtracted from a district's equity payment. This original proposal dealt a very severe blow to many of the school districts that are receiving other revenues payments in lieu of property taxes. After that meeting the committee went back to the drawing board and came up with an amended proposal that dealt with the in lieu of property tax revenues

in a different way. Since these revenues were, in fact, monies in lieu of property tax and the equity part of the proposal was being based on the taxable property evaluation per students to measurer a districts ability to raise general fund educational dollars. It would only be logical to figure revenues in lieu of property tax on the bases of the imputed value of that revenue to the general fund. We in Beulah are not apposed to this concept. The only issue appears to be what percent of the in lieu of tax dollars are truly available for general education costs. While all the funds that we receive in lieu of property tax dollars are deposited by the state into the general fund they are not all spent on or available for general education fund educational expenditures. In Beulah and in a number of the other districts that receive in lieu of property tax dollars a large amount of that revenue is dedicated to other impact areas that needed to be dealt with as a result of the impact created by the industries that we are receiving the in lieu of tax dollars for. The Beulah School District is in agreement with Senator Taylor's and his amendment that the level of imputation should be set at 50%. I will use my own district as an example. In my district the in lieu of tax dollars from their inception have been dedicated as follows:

1. Since the time of the energy impact in our district, we have had to add four additions to our high school, build an additional elementary school and replace an outdated over crowded junior high school. To fund these facility expansions, we have always dedicated 25% of our coal conversion and severance tax money to the repayment of the loans to construct these buildings. These funds are still dedicated to this function for at least the next 10 years until that debt is retired. Thus 25% of our in lieu of property tax money is not available for general education expenditures. The funding of our facility expansions, due to the energy impact, were structure as such because there is no in lieu of property tax provisions allowed for sinking and interest funds or building funds, and we were

assured that the conversion and severance tax funds would be there to pay off these debts. Thus we feel these funds should not be imputed into the equity formula as money available for general education revenue sources.

2. Ten percent of the overall mill levy for the Beulah School Districts is our building fund used to help with upkeep and maintenance of our buildings. We do not receive any in lieu of property tax dollars into this fund. Yet to financing the construction of our facility we have for the past 20 years dedicated about 50% of our building fund to pay off construction indebtedness. This has, of course, left our building fund very short of revenue over the years to keep our buildings up to date and well maintained. We feel that since our building fund is about 10% of our overall mill levy that 10% of the in lieu of property tax money should be deposited into the building fund. Thus another 10% of the in lieu of property tax money is again not available for general fund education expenditures.
3. Another 5% of our overall mill levy is in sinking and interest funds used to retire additional debt for construction. Again we receive no in lieu of property tax payments into this fund and feel that an appropriate 5% of the in lieu of property tax dollars should be deposited into this fund, making it unavailable for general fund educational expenditures.
4. Two percent of our overall mill levy is an alternative education fund. Again, we receive no in lieu of property tax payments into this fund and feel that an appropriate 2% of the in lieu of property tax dollars should be deposited into this fund. At the present time I have accounted for 42% of our in lieu of property tax dollars.

5. The fifth area of impact that we need to deal with is the overall economic impact of running a school district whose revenues are dependent on property taxes, and in lieu of property taxes in an area of the state that has the highest per capital income in the state. This impact was impressed upon me early in my tenure as superintendent as I attempted to fill two ancillary staff positions in my district. During the interviews to replace one of the office secretaries. As we were discussing salary guidelines with one of the candidates the comment was made that the top end of the advertised salary was only about a 40% cut in pay and was there any way we could increase that pay level. Also in the process of replacing a maintenance person, I offered the position to an individual at $13.25 per hour, at least $2.00 over the salary levels in our employee handbook. The individual turned the position down stating he needed an additional $2.00 per hour. Along these same lines, salaries for our teaching staff presently ranks 8th in the state for average instructor's salaries. This is an impact of the energy industry that all of us in the coal and oil energy area have to deal with. We must be able to compete with that industry for our employees. Yet the in lieu of property tax money that we get is still based on a 1980's era formula. Thus the remaining 8% of our in lieu of tax dollars should be allowed to deal with this problem.

6. I should also mention that my district is very unique among the districts are receiving in lieu of property tax money. We presently rank close to the highest in the state @ 22nd in total mills levied, while our general fund has been at the 85 mill cap for at least the past 10 years. As mentioned earlier, our average teaching salaries rank 8th in the state and the salaries that we must pay to keep well qualified ancillary staff ranks close to the top in

the state. While our overall cost of education per student ranks in the lower 1/3 in the state @133rd or about $6140.00 per student.

In conclusion, while we agree that the coal conversion and severance taxes are monies that we receive in lieu of property tax it is also our belief that only about 50% of these dollars are truly available for general educational expenditures and thus they should be imputed into the state equity payment formula at a 50% level as passed by the Senate and we urge you to support that imputation level.

Thank you for your time and consideration. Are there any questions?

Handout # 2

SB 2200
March 20, 2007

**Beulah School District**
**Home of the Miners**
**204 5th Street NW**
**Beulah, North Dakota 58523**
**Phone # 873-2237, Fax 873-5273**
**Email Al.liebersbach@sendit.nodak.edu**

TO: House Appropriations- Education and Environment Division
FROM: Mr. Al Liebersbach, Superintendent Beulah School District
DATE: March 20, 2007
SUBJECT: SB 2200

Chairperson, Wald and members of the House Appropriations Education and Environment Division.

My name is Al Liebersbach, Superintendent of the Beulah School District and presenting this testimony to express the concerns that the Beulah School Board has with the House version of SB 2200, which has as its goal to develop a new and more equitable funding system for education in the state of North Dakota. While there are many things contained within SB 2200, I will direct my comments to one specific part of the bill the imputation of coal conversion, severance and other oil tax revenues into the formula for determining equity payment calculations. In the original equity formula proposal, a district's total other local revenue (coal, oil, tuition and other local revenues) was to be subtracted from a district's equity payment. This original proposal dealt a very severe blow to many of the school districts that are receiving other revenues payments in lieu of property taxes. After that meeting the committee went back to the drawing board and came up with an amended proposal that dealt with the in lieu of property tax revenues in a different way. Since these revenues were, in fact, monies in lieu of property tax and the equity part of the proposal was being based on the taxable property evaluation per students to measurer a districts ability to raise general fund educational dollars. It would only be

logical to figure revenues in lieu of property tax on the bases of the imputed value of that revenue to the general fund. We in Beulah are not in disagreement with this concept. The only issue appears to be what percent of the in lieu of tax dollars are truly available for general education costs. While all the funds that we receive in lieu of property tax dollars are deposited by the state into the general fund they are not all spent on or available for general education fund educational expenditures. In Beulah a large amount of that revenue is dedicated to other impact areas that needed to be dealt with as a result of the impact created by the industries that we are receiving the in lieu of tax dollars for. The Beulah School District is in agreement the SB 2200 as it came out of the Senate with the level of imputation set at 50%. I will use my own district as an example. In my district the in lieu of tax dollars from their inception have been dedicated as follows:

1. Since the time of the energy impact in our district, we have had to add four additions to our high school build an additional elementary school and replace an outdated, over crowded junior high school. To fund these facility expansions, we have always dedicated about 25% of our coal conversion and severance tax money to the repayment of the loans to construct these buildings. These funds are still dedicated to this function for at least the next 10 years until that debt is retired. Thus 25% of our in lieu of property tax money is not available for general education expenditures. The funding of our facility expansions, due to the energy impact, were structure as such because there is no in lieu of property tax provisions allowed for sinking and interest funds or building funds, and we were assured that the conversion and severance tax funds would be there to pay off these debts. Thus we feel these funds should not be imputed into the equity formula as money available for general education revenue sources.

2. Ten percent of the overall mill levy for the Beulah School Districts is our building fund used to help with upkeep and maintenance of our buildings. We do not receive any in lieu of property tax dollars into this fund. Yet to financing the construction of our facility we have for the past 20 years dedicated about 50% of our building fund to pay off construction indebtedness. We feel that since our building fund is about 10% of our overall mill levy that 10% of the in lieu of property tax money should be deposited into the building fund. Thus another 10% of the in lieu of property tax money is again not available for general fund education expenditures.
3. Another 5% of our overall mill levy is in sinking and interest funds used to retire additional debt for construction. Again we receive no in lieu of property tax payments into this fund and feel that an appropriate 5% of the in lieu of property tax dollars should be deposited into this fund, making it unavailable for general fund educational expenditures.
4. One percent of our overall mill levy is an alternative education fund. Again, we receive no in lieu of property tax payments into this fund and feel that an appropriate 1% of the in lieu of property tax dollars should be deposited into this fund. At the present time I have accounted for 41% of our in lieu of property tax dollars.
5. The fifth area of impact that we need to deal with is the overall economic impact of running a school district whose revenues are dependent on property taxes, and in lieu of property taxes in an area where you must compete with the energy industry for your professional staff and support staff. This impact was impressed upon me early in my tenure as superintendent as I attempted to fill two ancillary staff positions in my district. As we were discussing salary guidelines with one of the candidates the comment was

made that the top end of the advertised salary was only about a 40% cut in pay and was there any way we could increase that pay level. Along these same lines, salaries for our teaching staff presently ranks 8th in the state for average instructor's salaries. This is an impact of the energy industry that all of us in the coal and oil energy area have to deal with. We must be able to compete with that industry for our employees. Yet the in lieu of property tax money that we get is still based on a 1980's era formula. Thus the remaining 9% of our in lieu of tax dollars should be allowed to deal with this problem.

6. I should also mention that my district is very unique among the districts receiving in lieu of property tax money. We presently rank close to the highest in the state @ 22nd in total mills levied, while our general fund has been at the 185 mill cap for at least the past 10 years. As mentioned earlier, our average teaching salaries rank 8th in the state and the salaries that we must pay to keep well qualified ancillary staff ranks close to the top in the state. While our overall cost of education per student ranks in the lower 1/3 in the state @133rd or about $6140.00 per student.

In conclusion, while we agree that the coal conversion and severance taxes are monies that we receive in lieu of property tax it is also our belief that only about 50% of these dollars are truly available for general educational expenditures and thus they should be imputed into the state equity payment formula at a 50% level as passed by the Senate and we urge you to support that imputation level.

# Senate Bill 2200 – House Education
## Jack Maus Comments, March 5

Madam Chair, Members of the Committee, my name is Jack Maus, I am the Superintendent at Grafton Public Schools. I am here in support of Senate Bill 2200 minus three of the amendments added to it in the Senate due to equity.

I joined the Commission, in the middle of the term when I became Superintendent at Grafton. Previously I had been in the Hatton Public School for eighteen years. Both schools were original schools in the equity lawsuit.

The most important thing to remember about Senate Bill 2200 is that it is not the Governor's bill. It is not the Democrat's bill. And it is not the Republican's bill… it is the kids' bill.

This bill is about and for the children of North Dakota. It was developed by a non-partisan group whose sole intention was to find a way to provide an equitable education to every child in this state. They do not have that now, but if SB 2200 remains intact and on task, they will.

I have two observations I would like to make. First, the Commission was a success. When it came to talking about education funding in the state, the right people were at the table. Every member had an understanding and commitment to K-12 education. They were all there for the right reason.

I came to my first meeting with an agenda that was all about the needs of Grafton. At the time, $60 million dollars seemed like a lot of money for education and I wanted Grafton to have its fair share. Our ELL program needs funding for all four categories; only 22 percent of our special education costs are paid by state and federal funds; I wanted to continue funding our very successful before and after school program, all day/every day Kindergarten and improve our staff salaries.

I quickly realized that while Grafton's needs are important, the Commission was looking at the big picture and what was best for all the students of the state. My second observation is the knowledge that to do right for Grafton's students, we must do right by all of North Dakota's students. The new funding formula creates equitable and uniform funding throughout the state. The funding formula has to look at what is best for all students in the state. Each action causes a reaction. I know now that changing the formula in order to address a single school districts' needs affects all the other districts in the state. The formula is the right thing for all the students of the state – and that outcome is more important than any local or regional interest.

And I say this as the superintendent of a district ranked 159$^{th}$ out of 160 high school districts in spending per pupil -- Grafton spends $4,870; the North Dakota average is $7,438 per student.

**SCRANTON PUBLIC SCHOOL**
**WRITTEN TESTIMONY PROVIDED BY THE BOARD OF EDUCATION AND SUPERINTENDENT JOHN PRETZER RELATING TO SB 2200**
**JANUARY 17, 2007**

The Scranton Public School Board and Administration recognizes the difficult task undertaken by the Governor's Commission on Education Improvement. The Commission should be commended for their hard work and dedication to education in North Dakota.

In its present form, however, the Scranton school district will oppose the new education funding formula. Here are several reasons why we must take this position. In our view, the formula creates a dramatic shift of dollars from rural to urban areas. The entire premise behind the formula is based on determining and equalizing payments between school districts that are considered wealthy and those that are considered poor. The formula used to determine degree of wealth among school districts is not new but is still flawed. The formula used takes the total number of students and divides this into the school districts taxable valuation. To put this into perspective, a school district with a taxable valuation of $3 million and a student enrollment of 100 is considered wealthy (3,000,000 divided by 100 = $30,000). Theoretically this means that there is $30,000 of potential tax revenue behind each student in the school. The state average of local tax dollars supporting each student is about $17,800. Now look at a school district with 200 students enrolled and the same taxable valuation of $3 million, (3,000,000 divided by 200 = $15,000). In this district there is only $15,000 of local tax dollars supporting each student. Even though both schools require about the same number of staff , infrastructure, transportation, etc., the larger school currently receives about $300,000 more in state aid and falls into the category of a poor school under the new proposal. It is the smaller school with only 100 students that is considered wealthy! In other words, as schools lose enrollment and lose foundation aid dollars, they become wealthier according to the formula. There is something drastically flawed with this concept.

So where will all of the funding come from that will be needed to be distributed mainly to large school districts? The funding proposal is socialistic in nature because it claims to put all state revenue going to schools in a big pot. Then these resources will be divided among the schools. It is no coincidence that the method of allocating dollars to schools is not based on education adequacy, but rather on a per student basis. Once again, small town North Dakota and its schools with declining enrollment will get pushed aside in favor of the larger urban areas. You will hear that the majority of North Dakota's K-12 students live in these more urban areas. This may be true, but remember, equity is not based on numbers. The word equity is defined as, "the state, ideal, or quality of being just, impartial, and fair".

If adopted by the legislature, the new funding formula would impute 75% of our school districts oil and gas revenue. These dollars will also be thrown into the pot I mentioned earlier. Proponents of the formula will claim otherwise, but indirectly this is exactly what happens to this money. If this occurs, our district could take a huge financial hit. Don't be fooled, when advocates of this plan claim that we will receive all of our county oil and gas revenue. We will receive the revenue, but the state will deduct what we receive from our state education payment. Out of the $166 million generated by the Oil Gross Production Tax and the Oil Extraction Tax, only $8.8 million goes to schools that have been impacted by the industry.

It is also no coincidence that some revenue received by school districts was not included in the "big pot" theory. Tuition payments to schools was also supposed to be imputed but it appears like some schools have been exempted. It is my understanding that the oil royalties that some schools receive have conveniently flown under the formula's radar. In other areas of the state, tax exemptions have allowed some

**SCRANTON PUBLIC SCHOOL**
**WRITTEN TESTIMONY PROVIDED BY THE BOARD OF EDUCATION AND SUPERINTENDENT**
**JOHN PRETZER RELATING TO SB 2200**
**JANUARY 17, 2007**

businesses and industries to avoid supporting public education.

We do not believe that equity is achieved when fiscal exceptions are made in the formula to assist some school districts. If the rationale is to avoid hardships financially, then imputing dollars that have become a part of other school districts budgets is biased and unreasonable.

I have been to several meetings where concepts about this funding proposal have been discussed. Supporters of the plan are selling the notion that each school district is guaranteed at least a 2% increase in funding over the past year. It is almost impossible to get up-to-date numbers plugged into a reliable formula to evaluate the new scenario. Doing my own research, which included several lengthy telephone conversations with the Department of Public Instruction, The 2% minimum increase in funding promised to every school district may occur in the base year (first year of the new system), but from that point a 2% increase is added to each student payment. The way I figure it, if your enrollment drops by one student, it will take a 2% increase on about 50 students to make up for these lost dollars.

Under the new funding proposal, schools districts that have mill levies under 170 mills will be penalized according to how low their mill levies are. Currently our mill levy is at 140. There are large financial penalties for being under the 170 mill levy mark, penalties that we will not be able to manage considering all other factors. Especially if we lose 75% of our oil and gas revenue. In the past we have tried to use our resources to provide for a quality school district and yet be fair to our patrons. Under a new formula like this we would be left with very few options concerning revenue.

What is the rationale behind removing local control from local taxation? State education equity is once again the reason. According to the experts and their spreadsheets, it is considered unfair that school districts such as Fargo have a mill levy at 289 while other districts have mill levies below 100 mills. We need to remember however that according to state law, if a school district wishes to surpass the 185 mill levy cap, or have an unlimited levy, this must be agreed to by the local taxpayers at an election. The 185 mill levy cap was put in place for the purpose of fairness and equity to local taxpayers. If inequity exists because voters within a school district voted for an unlimited levy, that is a local decision the law permits. North Dakotans outside of these school districts did not have an opportunity to cast a ballot at these elections. Some policymakers have not caught onto the concept that the appraised value of property does not always equate to the ability of that property to generate large profits.

We take exception to the notion that future state funding should be based on a per pupil basis. We dislike a formula where all state funding with the exception of transportation is thrown into a pot and distributed in that manner. For one, rural school districts will not be adequately funded under this system. Secondly, legislative incentives and funded mandates will disappear into the pot. Our school district received $53,000 for teacher compensation. Governor Hoeven has taken a leadership role in increasing teacher salaries in our state. The legislature has created a compensation package to encourage school boards to increase their base pay. When this money is thrown into a pot and distributed on a per student basis, there is no way that a school with 150 students is going to break even.

**SCRANTON PUBLIC SCHOOL**
**WRITTEN TESTIMONY PROVIDED BY THE BOARD OF EDUCATION AND SUPERINTENDENT**
**JOHN PRETZER RELATING TO SB 2200**
**JANUARY 17, 2007**

When proponents of the new funding formula tell you that there is no longer a mill deduct (dollars withheld by the state based on high property valuations and redistributed to schools) this is simply not true. This year our districts mill deduct is $142, 245. As this money is redistributed to schools, we may recover about $80,000. The other $62,245 is distributed to school districts with a low property valuation. In the proposed formula, a mill deduct is built into the base year and subsequently this $62,245 per year will become a part of the state coffers for good.

Obviously we disagree with the imputing of oil and gas revenue. In areas where communities and schools are impacted by industry, there are concerns and issues that other communities do not have. After reviewing projections on how schools will be impacted under the new proposal, it is difficult for us to conceive how a school district is operational and offering more courses and programs than other school districts across the state if they are truly short $2 to $3 million in revenue. We also need to remember that years ago the legislature made a commitment to fund education in North Dakota at 70%. Currently the state is closer to funding education at 40%.

The education equity issue came about when a number of school districts filed suit against the state. Their contention is that the state's present funding formula is not equitable and that school districts with low taxable valuations cannot generate the revenue needed to support education. In other states where similar suits have been heard, the state has lost. We are not advocating the status quo, and we realize that there are inequities in the present formula. Nor do we point a finger at the Commission who followed the perimeters they were given. Even though I pointed out many concepts that will negatively impact our district, there are a number of appropriate recommendations made throughout this 65 page document. We need our policy makers to distinguish between legitimate equity and many schools being crippled by the plan. And yes, there are alternatives to the equity issue.

# Sampling of Small School District Outcomes

** based on 2005-2006 payment year*

| School District | Year 1 | Year 2 | Equity Payment |
|---|---|---|---|
| Powers Lake | 5.91% | 10.53% | 0 |
| Page | 7.00% | 13.50% | 0 |
| Munich | 7.00% | 13.50% | 0 |
| Sheyenne | 7.00% | 13.50% | 0 |
| Emerado | 7.00% | 13.50% | 0 |
| Drake | 7.00% | 13.50% | 0 |
| Yellowstone | 7.00% | 13.50% | 0 |
| Hebron | 7.00% | 12.16% | 0 |
| Valley | 7.00% | 13.50% | 0 |
| McClusky | 7.00% | 13.50% | 0 |
| Rolette | 7.00% | 12.74% | 0 |
| Solen | 8.94% | 13.81% | 171,224 |
| Montpelier | 7.00% | 13.50% | 0 |
| Fordville-Lankin | 7.00% | 13.50% | 0 |
| Edinburg | 14.03% | 18.43% | 41,732 |
| Nedrose | 7.00% | 13.50% | 0 |

SB 2200 Monday 9:00 am Pioneer Room

Good Morning, my name is Brent Johnston and I am the superintendent of the Bowbells Public School in the northwest corner of the state.

According to the last printout of the school funding levels using the 80million new dollars and SB 2200, Bowbells would be getting $4424, during the first year, using the new funding formula.

SB 2046 would increase TFFR paid by the Bowbells Public School by $10,291.

So, out of the 80million new dollars being added to benefit the education of students in the state of North Dakota. SB2200 and SB 2046 would generate a net loss of $5,867 for the students in Bowbells, North Dakota.

During the past four years the percentage of our budget supported by state foundation aid has gone from 34% to 31.6% to 29.4% and this year to 26.4%.

According to the New Funding Formula we are a property rich district, yet we are a student poor district and that doesn't seem to matter. You want us to increase teacher salaries, with what?

Some of our students spend 2 hours a day on a school bus now and the closest other town to us is 16 miles away. If we were to close that would mean about one more hour/day on a bus.

We are a small rural North Dakota school and something needs to be done so that all students can benefit from the increase in the state funding of education.

SB 2200, as it is now, does not benefit all of the students in our state, but does provide a windfall for a select few!!!

Please consider all students and all schools when deciding how best to use the 80million in improve education in the state of North Dakota.

March 5, 2007

Chairman RaeAnn Kelsch and Members of the House Education Committee:

My name is Nancy Wisness, and I am the superintendent of the Grenora Public School District #99. Grenora is a very small but necessary school located in Williams and Divide Counties in the northwest corner of the state. We are 45 miles from Williston which is the closest North Dakota high school. We are 52 from both Crosby and Ray, and 62 miles from Tioga and Powers Lake.

I am very happy that the Governor is willing to put more money into education, and I do agree that the funding system needs to be overhauled. I am appreciative of the time the Governor's Commission has put into SB 2200. I do oppose parts of the bill, and that is why I am here today.

Our school is student poor. We have a large land mass, yet only 55 students in grades K-12. We are drastically hurt by the high valuation offset. We are not declining in enrollment. We are anticipating 64 students next year, and 72 the next due to a higher number of kindergarten students and some families who are moving into our area.

In SB 2200 we are slated to receive $3,618 more for Year 1 and $9,190 in Year 2. We are at 185 mills and cannot raise our mill levy. These amounts do not take into consideration inflation or increased staff increases. It is difficult to attract teachers to a small school. If we are forced to cut any staff or curriculum, then there goes our adequacy. It is also difficult in a rural district like ours to recruit and hire part-time teachers.

I would also like to see the teacher compensation held out of the bill and continue to be paid on an FTE basis. We give this to our teachers as a teacher bonus payment. If it goes on a per pupil basis, the amount could be greatly decreased.

Education is all about students and the quality of education that every student deserves. I am hoping that you will give consideration to these points.

Sincerely,

Nancy L Wisness

Nancy L. Wisness, Superintendent
Grenora Public School District #99

Good morning Senator Freborg and committee members.

My name is Sarita McComish, District 8.

I am here to testify in support of Senate Bill 2200 with the following concerns.

My comments relate to pages 32 & 33 of the bill. I believe that most Individualized Education Program (IEP) teams are indeed trying to do what is in the best interests of the student, then there are those teams that may not. I would like to see a safety net added to this bill so that what happened to our daughter will never be allowed to happen to another student.

When the Superintendent of Public Instruction receives a request for either an out of district or an out of state placement by an IEP team, the Superintendent of Public Instruction shall refer the parents to Protection and Advocacy. P&A could review the placement with the parents to ensure that the parents understand their rights.

When our 10 year old daughter was placed out of state, we did not know that the school should have allowed her Braille teacher more than 45 minutes of daily instruction time. If the teacher would have been allowed sufficient time to teach our daughter, an out of state placement would not have been required.

The attached chart shows how sending Christina out of state for 4 years, actually saved the school district between $44,000 to $79,000 (estimated). Please note on year 5, was the first year where the district would have paid, instead of saved, to send Christina out of state. Christina returned to our district before the start of her fifth year. There should never be a financial incentive to place students out of district.

The second time the district placed our daughter out of state, we were literally "out voted". Yes, out voted. IDEA states, it is not appropriate to make IEP decisions based upon a **majority vote,** a consensus must be reached. In our daughter Christina's case, the IEP team took a vote to send her out of state.

The Case Manager and all school personal voted to send her out of state. The two vision out reach teachers from the School for the Blind in Grand Forks voted to send her out of state (even though as an agency it is their job to support the students so they can stay in their school district). Christina and her parents voted not to send her out of state.

The team did not reach a consensus. However, since the IEP was written by those hired by the school it was not written as such. It was written that the IEP team agreed to the out of state placement. We did contact Protection and Advocacy this time and they helped us keep Christina from being sent out of state again.

The reason the school wanted to send Christina out of district the second time was that we were requesting that the school actually educate her and not just pass her through. We were requesting assistive technology, to replace nonfunctioning technology and a grade level educational evaluation that the district did not want to provide.

Again, I believe that most Individualized Education Program (IEP) teams are indeed trying to do what is in the best interests of the student. I would like to see a safety net added to this bill to protect those who might fall through the cracks.

Thank you for your time and attention on this matter.

I will try to answer any questions that you might have at this time.

Christina with her Perkins Brailler at school in Underwood.

## AN ESTIMATE OF THE MONEY A NORTH DAKOTA SCHOOL DISTRICT SAVED BY SENDING A STUDENT OUT OF DISTRICT TO THE SOUTH DAKOTA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED.

Amount the District paid to place a student out of District / Out of State.

| Year | Actual **SDSBVI** Tuition | Estimated DPI Contribution | Estimated Amount Of Tuition That District Paid |
|---|---|---|---|
| 1st Year | 17,571 | 6,000 | 11,571 |
| 2nd Year | 15,169 | 6,000 | 9,169 |
| 3rd Year | 15,700 | 6,000 | 9,700 |
| 4th Year | 22,639 | 6,000 | 16,639 |
| Total | 71,079 | 24,000 | 47,079 |
| | | | |
| 5th Year | 28,299 | 6,000 | 22,299 |

Amount of money the District would have spent to hire a Braille teacher.

| Year | Estimated Teacher Salary *(1)* Raise at 2% /yr | Estimated Benefit Loading At 25% | Estimated Cost For District To Hire Teacher |
|---|---|---|---|
| 1st Year | 24,480 | 6,120 | 30,600 |
| 2nd Year | 24,970 | 6,242 | 31,212 |
| 3rd Year | 25,469 | 6,367 | 31,836 |
| 4th Year | 25,978 | 6,495 | 32,473 |
| Total | 100,897 | 25,224 | 126,121 |
| | | | |
| 5th Year | 26,498 | 6,624 | 33,122 |

Final "cost" for out of District placement compared to in District placement.

| Year | Estimated Cost For District To Hire Teacher | Estimated Amount Of Tuition That District Paid | Estimated District Savings (Cost) | Transportation Paid For Student Placement | Estimated Final District **Savings** (Cost) |
|---|---|---|---|---|---|
| 1st Year | 30,600 | 11,571 | 19,029 | 6,858 | 12,171 |
| 2nd Year | 31,212 | 9,169 | 22,043 | 6,165 | 15,878 |
| 3rd Year | 31,836 | 9,700 | 22,136 | 8,580 | 13,556 |
| 4th Year | 32,473 | 16,639 | 15,834 | 12,854 | 2,980 |
| Total | 126,121 | 47,079 | **79,042** | 34,457 | **44,585** |
| | | | | | |
| 5th Year *(2, 3)* | 33,122 | 22,299 | 10,823 | 13,200 | **(2,377)** |

*NOTES:* *1) Estimated Teacher Salary used was from the 2006 Job Service posting for the actual position.*
*2) Note that 5th year Transportation is estimated at 13,200*
*3) Student was brought back into her home District AFTER the 4th year, prior to start of 5th year.*
South Dakota School for the Blind and Visually Impaired **SDSBVI**