

ELEMENTARY AND SECONDARY EDUCATION - OVERVIEW

STATE SCHOOL AID

The Legislative Assembly appropriated \$777,165,879, of which \$700,965,879 is from the general fund and \$76,200,000 is from the state tuition fund, for state school aid, including per student payments, transportation aid, and special education. This level of funding represents an increase of \$78.6 million, of which \$74 million is from the general fund and \$4.6 million is from the state tuition fund, from the 2005-07 legislative appropriation of \$698,565,879.

The legislative appropriation for the state school aid program follows the executive budget recommendations and the recommendations of the Governor's Commission on Education Improvement, a commission created by the Governor in January 2006 pursuant to an Agreement to Stay Litigation executed by nine North Dakota school districts. The legislative appropriation for the state school aid program:

- Consolidates funding for the state school aid program, including per student payments, teacher compensation payments, special education average daily membership payments, revenue supplemental payments, and tuition apportionment payments, into a new state school aid funding formula.
- Includes \$5 million from the general fund for full-day kindergarten beginning with the 2008-09 school year, as provided for in Senate Bill No. 2200. (The 2007-09 executive budget included \$3 million from the general fund for full-day kindergarten for at-risk students beginning with the 2008-09 school year.)
- Provides a per student payment of \$3,250 for the 2007-08 school year and \$3,325 for the 2008-09 school year with weighting factor adjustments for various programs authorized by the North Dakota Century Code, such as special education, English language learners, alternative high school, and summer school.
- Provides an offset to a school district's state aid payment if the district's general fund mill levy is below 150 mills in the first year of the 2007-09 biennium and 155 mills in the second year of the biennium. The amount is calculated as the difference in mills times the district's taxable valuation.
- Provides an offset to the school district's state aid payment if the district's imputed taxable valuation per student is greater than 150 percent of the state average imputed taxable valuation per student.
- Includes a minimum payment provision providing that each school district receive a minimum payment per weighted student unit for the 2007-08 school year that is at least 103.5 percent of the baseline funding per weighted student unit. For the following school years, the payment per weighted student unit must be equal to at least 106 percent of the baseline funding per weighted student unit.
- Includes a maximum payment provision providing that, not including equity payments, a school district's state aid payment for the 2007-08 school year may not exceed 107 percent of the baseline funding per weighted student unit. For the following school years, 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.

The legislative appropriation for the state school aid program of \$777,165,879 is summarized as follows:

Per student formula payments		\$726,165,879 ¹
Transportation aid payments		33,500,000
Special education - Contracts		17,500,000
Total		\$777,165,879
¹ This amount consists of:		
Base per student formula payments	\$661,665,879	
Special education - Average daily membership payments	43,000,000	
Equity payments	16,500,000	
Full-day kindergarten (beginning with the 2008-09 school year)	5,000,000	
Total	\$726,165,879	

OTHER APPROPRIATIONS

The legislative appropriation also provides:

1. **Governor's School program** - \$320,000 from the general fund for support of the Governor's School program, an increase in funding of \$50,000 from the 2005-07 legislative appropriation.
2. **National writing projects** - \$108,000 from the general fund for support of the Red River Valley Writing Project (\$50,000) and the Northern Plains Writing Project (\$58,000), an increase in funding of \$20,000 from the 2005-07 legislative appropriation.
3. **North Dakota Museum of Art** - \$295,000 from the general fund for support of the North Dakota Museum of Art rural art outreach project, an increase in funding of \$45,000 from the 2005-07 legislative appropriation.
4. **North Dakota LEAD Center** - \$245,000 from the general fund for support of the North Dakota LEAD Center, an increase in funding of \$10,000 from the 2005-07 legislative appropriation.
5. **Teacher center network** - \$276,000 from the general fund for support of the teacher center network, an increase in funding of \$46,000 from the 2005-07 legislative appropriation.
6. **Contingent distributions - State school aid** - Senate Bill No. 2200 provided for the following contingent distributions if any amount appropriated for state school aid payments remains unspent at the end of the 2007-09 biennium:
 - a. The first \$1 million for any state obligations in excess of the amount appropriated for special education contract charges.
 - b. The next \$2 million for providing additional per student payments to school districts participating in regional educational associations under North Dakota Century Code (NDCC) Chapter 15.1-09.1.
 - c. The next \$550,000 for providing additional payments to school districts serving English language learner and new immigrant English language learners in accordance with NDCC Chapter 15.1-38.
 - d. The next \$200,000 for providing additional payments to school districts offering an adult education program during the 2007-09 biennium.
 - e. Any remaining amounts as additional per student payments on a prorated basis according to the latest average daily membership of each school district.