

ELEMENTARY AND SECONDARY EDUCATION - OVERVIEW

STATE SCHOOL AID

The Legislative Assembly appropriated \$1,264,810,216, of which \$1,092,865,879 is from the general fund, \$85,644,337 is from federal funds, and \$86,300,000 is from the state tuition fund, for state school aid, including per student payments, transportation aid, special education, and grants for operations; one-time expenditures; and mill levy reductions. This level of funding represents an increase of \$484 million, of which \$388.3 million is from the general fund, \$85.6 million is from federal funds, and \$10.1 million is from the state tuition fund, from the 2007-09 legislative appropriation of \$780,765,879.

The legislative appropriation for the state school aid program follows the executive budget recommendations and the recommendations of the North Dakota 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:

- Includes \$3.78 million for **student performance strategists** and \$2.7 million for **career advisors**, beginning with the 2010-11 school year.
- Provides \$3.68 million for one **additional student contact day** on the school calendar during the second year of the biennium.
- Includes \$1 million for **required assessments**.
- Includes \$2.6 million for **regional education associations** to be provided through an additional weighting factor in the state school aid formula.
- Provides a **per student payment** of \$3,200 for the 2009-10 school year and \$3,779 for the 2010-11 school year; adjusts the weighting factor for special education services; and provides additional weighting factors for varying levels of proficiency for English language learners, for students enrolled in a school district participating in a regional education association, and for technology.
- Includes a **minimum payment provision** that entitles each school district to receive during the 2009-10 school year at least 108 percent of the baseline funding per weighted student unit. For the following school years, the minimum entitlement must be equal to at least 112.5 percent of the baseline funding per weighted student unit.
- Includes a **maximum payment provision** that, excluding equity payments, caps a school district's state aid payment for the 2009-10 school year at 120 percent of the baseline funding per weighted student unit. For the following school years, the payment per weighted student unit may not exceed 134 percent of the baseline funding per weighted student unit.
- Provides that United States flood control funds, American Recovery and Reinvestment Act of 2009 funds, and supplemental one-time grants may not be used in determining a district's **unobligated ending fund balance**. The provision expires on June 30, 2011.
- Authorizes the department to spend up to \$100,000 of the grants - state school aid line item for **planning grants** to school districts participating in reorganizations, up to \$400,000 for grants to **regional education associations**, and up to \$300,000 for a grant equaling the reduction in a district's 2007-09 state aid payment resulting from the receipt of **federal impact aid**.
- Increases funding for **gifted and talented programs** by \$400,000 to provide a total of \$800,000.
- Provides for a \$10 million increase in **transportation grants** and the related increases in the state transportation formula rates.
- Includes a contingent \$5 million appropriation from the general fund for supplemental transportation aid payments if the Office of Management and Budget projects during the 2009-11 biennium that the June 30, 2009, general fund balance will exceed legislation projections by at least \$30 million.
- Decreases funding for **special education contracts** by \$2 million to provide a total of \$15.5 million.
- Includes \$16,795,584 for **supplemental operations grants** to be awarded, on or before September 1, 2009, on a prorated basis, according to the latest available average daily membership of each school district.
- Provides for the distribution of **supplemental one-time grants** totaling \$85,644,337 from the general fund. The grants may only be used for improvements, additions, equipment, textbooks, Title I expenditures, or professional development. School districts must report to the Department of Public Instruction regarding the use of the funds. The Department of Public Instruction is required to compile the information and report to the Legislative Council.
- Provides \$295 million for property tax relief **mill levy reduction grants** and eliminates the minimum levy offset (Senate Bill No. 2199).

The legislative appropriation for the state school aid program of \$1,264,810,216 is summarized as follows:

Per student formula payments	\$808,370,295
Transportation aid payments	43,500,000
Special education - Contracts	15,500,000
Supplemental operations grants	16,795,584
Supplemental one-time grants	85,644,337
Mill levy reduction grants	295,000,000
Total	\$1,264,810,216

OTHER APPROPRIATIONS

The legislative appropriation also provides:

1. **National board certification** - \$102,500 from the general fund for payments to teachers receiving national board certification, an increase in funding of \$62,500 from the 2007-09 legislative appropriation.
2. **Governor's School program** - \$410,000 from the general fund for support of the Governor's School program, an increase of \$90,000 from the 2007-09 legislative appropriation.
3. **National writing projects** - \$153,000 from the general fund for support of the Red River Valley Writing Project (\$70,000) and the Northern Plains Writing Project (\$83,000), an increase of \$45,000 from the 2007-09 legislative appropriation.
4. **North Dakota Museum of Art** - \$345,000 from the general fund for support of the North Dakota Museum of Art rural art outreach project, an increase of \$50,000 from the 2007-09 legislative appropriation.
5. **North Dakota LEAD Center** - \$260,000 from the general fund for support of the North Dakota LEAD Center, an increase of \$15,000 from the 2007-09 legislative appropriation.
6. **Teacher center network** - \$360,000 from the general fund for support of the teacher center network, an increase of \$84,000 from the 2007-09 legislative appropriation.
7. **School food services** - \$1,380,000 from the general fund to provide child nutrition and food distribution program state matching funds, an increase of \$300,000 from the 2007-09 legislative appropriation.
8. **Adult education grants** - \$1,850,000 from the general fund to provide adult education grants, an increase of \$795,000 from the 2007-09 legislative appropriation.
9. **North Dakota Geographic Alliance** - \$226,000 from the general fund for a one-time grant to the North Dakota Geographic Alliance to secure matching funds from the National Geographic Society.
10. **North Central Council for School Television** - \$445,000 from the general fund for a grant to the North Central Council for School Television.
11. **Atlantik-Brucke teacher exchange program** - \$75,000 from the general fund for a grant to the Atlantik-Brucke teacher exchange program.
12. **North Dakota young entrepreneur education program** - \$100,000 from the general fund for a grant to the North Dakota young entrepreneur education program.
13. **"We the People" program** - \$18,000 from the general fund for a grant to the "We the People" program.
14. **English language learner grant** - \$40,000 from federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 for a grant to one regional education association to acquire instructional materials and provide professional development opportunities relating to English language learner services (Senate Bill No. 2212).
15. **Teacher support system grant program** - \$2.3 million from the general fund for a teacher support system grant program to be administered by the Education Standards and Practices Board (House Bill No. 1400).
16. **National board certification fund** - \$500,000 from the general fund to establish a national board certification fund to provide grants to applicants pursuing national board certification (House Bill No. 1400).
17. **Continuing education grants** - \$100,000 from the general fund for continuing education grants to individuals pursuing degrees or diplomas in education leadership, individuals becoming career advisors, or individuals pursuing a school counselor credential (House Bill No. 1400).

18. **Contingent appropriation - Supplemental transportation aid payments** - House Bill No. 1013 provides a \$5 million appropriation from the general fund for supplemental transportation aid payments contingent on the Office of Management and Budget projecting during the 2009-11 biennium that the June 30, 2011, ending balance of the state general fund will be \$30 million more than estimated by the 2009 Legislative Assembly.
19. **Contingent distributions - State school aid - 2007-09 biennium** - House Bill No. 1400 amended Section 55 of Chapter 163 of the 2007 Session Laws to provide that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds remaining from the 2007-09 special education contracts appropriation and 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 education 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 learners 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.
20. **Contingent distributions - State school aid - 2009-11 biennium** - House Bill No. 1400 provides that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds remaining from the 2009-11 special education contracts appropriation and if any amount appropriated for state school aid payments remains unspent at the end of the 2009-11 biennium, that the Department of Public Instruction use the funds to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.