



TURTLE MOUNTAIN COMMUNITY SCHOOL BELCOURT SCHOOL DISTRICT NO. 7

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January 18, 2023

Senate Finance and Taxation Committee
600 East Boulevard Avenue
Bismarck ND, 58505-0001

**Subject: Testimony on North Dakota Education Funding Formula – SB2066 Transition Maximum
By Duane Poitra, Belcourt School District #7 Business Manager**

Greetings Senate Finance and Taxation Committee Members,

I wish to once again provide testimony today in relation to support of SB2066 as it relates to the North Dakota Education funding formula, specifically on the "Transition Maximum" portion of the formula with "add-on" revenue as specified in the bill's draft language. Transition Maximum pertains to School Districts receiving less funding than calculated by the current funding formula.

Transition Maximum was established in the North Dakota Education funding formula back in the 2013 biennium as a funding formula mechanism to allow school districts that were "under formula", based on actual formula calculation, to "get on formula" at a reasonable pace; which was anticipated then to be no more than 6 - 8 years.

A baseline per pupil amount was determined in the 2013 biennium for each District affected by Transition Maximum that would be multiplied by a per pupil waiting factor of 110% to which the resulting weighted baseline per pupil amount would be multiplied by the weighted average daily membership (ADM) of the District to determine a maximum District payment amount.

If a district had a baseline per pupil payment rate less than the established per pupil payment rate for 2013-14, the district received a transition maximum adjustment to their formula calculation to prevent significant swings in district budgets due to a funding formula change.

The education funding formula would also determine a "normal" formula payment for Districts. The difference between the "normal" formula payment calculation and the maximum payment calculation is called the Transition Maximum Adjustment, which in the calculation is a deduction from the "normal" formula payment.

In the 2013 biennium, there were 41 Districts that were affected by Transition Maximum. The goal of a Transition Maximum Districts is to get on "normal" formula. As of the 2020-21 school year, there are 11 Transition Maximum Districts, of which 10 of the School Districts primarily serve a Native American population.

The aforementioned per pupil weighting factor is a very important factor in the formula; it was intended to increase each year by 10%; this has not been the case as the history of the weighting factor has been as follows:

110% for 2013-14;	120% for 2014-15;	130% for 2015-16;	140% for 2016-17;
140% for 2017-18;	140% for 2018-19;	105% for 2019-20;	110% for 2020-21;
110% for 2021-22;	110% for 2022-23.		

Please consider all other North Dakota school districts are either on formula or exceed the formula (transition minimum Districts). The total annual North Dakota education funding is approximately \$1 billion dollars per year. The funding needed to get these 11 school districts on formula is about \$10.7 million dollars per year.

I previously provided testimony during the 2021 ND Legislative Session suggesting transition maximum schools be placed on actual formula as soon as possible. I again offer testimony that the transition maximum schools get on formula in a reasonable amount of time that takes into consideration the intentions of the 2013 ND Legislative Session.

Therefore, I support SB2066 as this bill provides a means to get ALL the school districts affected by transition maximum on formula in a reasonable amount of time.

I thank you for your time and consideration on this important matter.

Chi Miigwech!

A handwritten signature in black ink that reads "Duane Poitra". The signature is written in a cursive style with a large, prominent initial "D".

Duane Poitra,
Business Manager
Belcourt School District #7