

**Department of Public Instruction**

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Dr. Wayne G. Sanstead
State Superintendent

To: Representative David Monson, Chairman
Interim Education Committee

From: Jerry Coleman
School Finance

Date: 01/06/2010

Re: State aid to accredited and unaccredited schools

State aid payable to school districts is based on the assumption that the individual schools in the district are accredited. When a school becomes unaccredited, state law requires a reduction in state aid.

Timelines for becoming unaccredited:

- 1st year: the school fails to comply with the accreditation standards.
- 2nd year: the school is accredited warned.
- 3rd year: the school becomes unaccredited and the reductions in state aid are implemented.

Once unaccredited state aid payments are adjusted as follows:

NDCC 15.1-27-08. Per student payments – Unaccredited highs schools

- 1st year: reduce the school district size weighting factor to 1.0 for the average daily membership (ADM) in the unaccredited schools. This translates to no penalty for large districts and a 25% reduction for small districts.
- 2nd year: add a \$200 per ADM reduction.
- 3rd year and after reduce payments an incremental \$200 per ADM reduction.

NDCC 15.1-27-09. Per student payments – Unaccredited elementary schools

- 1st year: no penalty.
- 2nd year: add a \$200 per ADM reduction.
- 3rd year and after add an incremental \$200 per ADM reduction.

If accreditation is regained during the year, per student payments are restored for the entire year.

Specific language related to financial sanctions for districts operating schools that are not approved (as distinguished from accreditation) does not exist. NDCC 15.1-06-06 outlines the requirements for approval but consequences for non-compliance are not addressed.

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 by:
 - a. Applying the school district size weighting factor assigned under section 15.1-27-03.2 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 15.1-27-03.2 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 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.

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 an elementary school remains unaccredited 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 by 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 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.