



TURTLE MOUNTAIN COMMUNITY SCHOOL BELCOURT SCHOOL DISTRICT NO. 7

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House Education Committee
600 East Boulevard Avenue
Bismarck ND, 58505-0001

Subject: Testimony on North Dakota Education Funding Formula – SB2284 on Transition Maximum

Greetings House Education Committee Members,

My name is Duane Poitra. I am the Business Manager for the Belcourt School District. I am an enrolled member the Turtle Mountain Band of Chippewa. I wish to provide testimony today in relation to **SUPPORT** of SB2284 as it relates to the North Dakota Education funding formula, specifically on the "Transition Maximum" language elimination in the bill's draft language. Transition Maximum pertains to School Districts still transitioning on to actual formula since 2013; these Districts hence receive less funding than formula calculation.

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. The baseline per pupil amount changed in 2019-20.

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 2022-23 school year, there are 11 Transition Maximum Districts, of which 10 of the School Districts primarily serve a Native American population.

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 \$14.8 million dollars over biennium.

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 the funding formula in the manner specified in HB2184, considering intent of the 2013 ND Legislative Session.

The 2013 Legislative Session provided a new education funding formula which essentially lowered property tax contributions used towards education in North Dakota by increasing North Dakota's contribution towards education.

However, property poor school districts with average per student imputed taxable valuations more than 80% below the State average required funding formula modification in the 2013 draft bill to realize benefit. SB2184 provides an expeditious solution for the property poor districts, currently affected by transition maximum, to finally move to normal formula payment as originally intended in 2013.

The 11 Transition Maximum Districts are:

Belcourt 7	Dunseith 1	St. John 3	Warwick 29	Ft. Totten 30	Minnewaukan 5
Manvel 125	Solen 3	Mandaree 36	Twin Buttes 37	White Shield 85	

Therefore, I support SB2184 as this bill provides a means to get ALL the school districts affected by transition maximum on normal North Dakota Education funding formula as intended back in 2013.

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

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Duane Poitra,
Business Manager
Belcourt School District #7