TESTIMONY ON SB 2284

Senate Education COMMITTEE

February 1, 2023

By: Adam Tescher, School Finance Officer

701-328-3291

North Dakota Department of Public Instruction

Chairman Elkin and Members of the Committee:

My name is Adam Tescher, and I am the School Finance Officer with the Department of Public Instruction. I am here to provide information regarding SB 2284.

In 2013, the state implemented a K-12 funding formula tied to the cost of providing adequate and equitable education and funded it with a combination of state and local taxes. Local property tax levy authority was decreased significantly, with statewide taxes making up the difference. Statewide taxes are now funding approximately 73% of the funding formula.

The local share is 60 mills on taxable valuation and 75% of other local in-lieu of property tax revenue. The state funds the remainder up to the adequate amount. The formula is student-driven and uses various weights to account for the increased costs associated with school size and serving students with special needs. A base perstudent funding rate is set by the legislature designed to generate the resources necessary to educate students to state standards. In addition, there are transitional

adjustments included to minimize budget impacts that inevitably occur when making major changes.

The Legislature, through the interim Education Funding Committee, contracted with Picus-Odden and Associates to conduct a recalibration study to confirm the adequacy of that base level of support.

The consultants used an evidenced-based model to determine the resources necessary to educate students to college and career-ready proficiency. Included in the model are all components necessary to meet the standards. This includes core staffing, administration, operations, professional development, technology, and instruction materials.

Attached is a blank worksheet for the Minnewaukan School District that we will walk through and complete to help gain an understanding of the Integrated Funding Formula.

Chairman Elkin and Members of the Committee that concludes my prepared testimony, and I will stand for any questions you may have.

STATE AID TO SCHOOLS PAYMENT WORKSHEET



North Dakota Department of Public Instruction Office of Fiscal Management - SFO

District Name	County District Number 03-005	Payment Month	School Year
Minnewaukan 5		August	2022-2023

A STATE AID FORMULA:

Student membership includes regular school year average daily membership (ADM). ADM for students attending school in Montana and Minnesota (NDCC 15.1-29.01), South Dakota students attending school in North Dakota (NDCC 15.1-29-02.1) under cross border attendance agreements, and students in private or out-of-state placements for purposes

15.1-29-02.1) under cross border attendance agreements, ar				S
other than education (NDCC 15.1-29-14) are also included.				
Student Membership		ADM	Weighting Factor	Weighted ADM
1 Pk Special Education			1.000	
2 Kindergarten			1.000	
3 Grade 1-6			1.000	
4 Grade 7-8	0	io	1.000	
5 Grade 9-12			1.000	
6 Alternative High School			1.000	
7 Total Average Daily Membership (ADM)				
Other Program Membership				
8 Alt High School (from line 6)			0.250	
9 Special Ed ADM (from line 7)		-	0.082	
10 PK Special Ed ADM (from line 1)			0.170	
11 Regional Education Association (if member from line 7)			0.002	
12 2022-23 Fall Enrollment above 2022 ADM			0.700	
13 Spring 2022 On Time ADM Adjustment			0.600	
14 ELL Level 1			0.400	
15 ELL Level 2			0.280	
16 ELL Level 3			0.070	
17 At Risk	2		0.025	
18 Home-Education (district supervised)			0.200	
19 Alt Middle School			0.150	
Summer Programs				
20 Summer School			0.600	
21 Special Ed ESY			1.000	
Isolated School District				
22 >275 sq miles and <100 ADM	2		0.100	
23 >600 sq miles and <50 ADM			1.100	
			ř	
24 Total Weighted Average Daily Membership (add lines 7	through 23)			
25 School District Size Weighting Factor				
26 Total Weighted Student Units				040.007.00
27 Per Student Payment Rate	,	16	-	\$10,237.00
28 Total Formula Payment			Į.	
Formula Adjustments		70%		
29 Transition Maximum Adjustment (from line 68)				
30 Transition Minimum Adjustment (from line 75) with 15%	Reduction			
31 Total Adjusted Formula Amount (total lines 28, 29 and 3	30)			
32 Contribution from Property Tax (from line 48)				9
33 Contribution from Other Local Revenue (from line 41)		5		:4
34 State Aid Payment (line 31 minus lines 32 and 33)			[¥
State School Aid Summary		Entitlement	EFB Offset	Net Entitlement
1 State Aid Formula Payment (from line 34)		2	2	ш
2 Transportation (from line 64)				
3 State Child Placement		-	-	
4 Special Education Contracts - Agency	¥	// -	-	-
5 Special Education Contracts - School Placed		-		9
6 Special Education Contracts - Boarding				4
7 Special Education - Gifted and Talented		*		*
- Programme - Prog				
Total State Aid		=	-	
		î		
Excess Fund Balance Offset (from line 52)	St.			

		Apportioned		
B CONTRIBUTION FROM OTHER LOCAL REVENUE	Total Revenue	Revenue	Percent	
35 1300 Tuition			75%) <u>i</u>
36 2999 County		10	75%	-
37 US Flood			75%	
38 Electric Generation, Distribution and Transmission Ta	x	1.5	75%	
39 Mobile Home and Other In-Lieu Taxes		M5	75%	Ê
40 Telecommunications		1 32	75%	-
41 Contribution from Other Local Revenue				8
			Non S & I	
	S & I Levy	Total Levy	Percentage	
		51.08	100.00%	
C CONTRIBUTION FROM PROPERTY TAX			Ti a	
42 District Taxable Valuation				3,929,679
43 Contribution Mill Rate				60
44 Contribution from Property Tax (line 42 times line 43 c		er.		235,780.74
45 Minimum Local Effort Adjustment (NDCC 15.1-27-04.				*
46 Maximum Contribution Increase Adjustment (NDCC 1	5.1 - 27-04.1.4.a.)		259,325.00	*
47 Local Effort Adjustment NDCC 15.1-27-04.3				
48 Adjusted Contribution from Property Tax (total lines 44	4, 45 and 46)			235,780.74
D EXCESS FUND BALANCE OFFSET (Delayed throu	gh 2023)			
49 General Fund Ending Balance				ls.
50 General Fund Expenditures				¥.00.0
51 35% of General Fund Expenditures + \$50,000				50,000.00
52 Excess Fund Balance Offset (line 49 minus line 51, if	less than zero enter	zero)		*
E TRANSPORTATION WORKSHEET				
L HARD ON AHON WORKS.				
Transportation Statistics	Rate	Miles	Rides	Total
53 Small Bus Miles	0.520		XXXXX	-
54 Large Bus Miles	1.110		XXXXXX	
55 Rural Rides	0.300	XXXXX	Janes.	
56 Small In-City Miles	0.520		XXXXX	-
57 Large In-City Miles	1.110 0.300	200001	XXXXX	-
58 In-City Rides		XXXXX	10000/	-
59 Family - To School	0.250 0.250		XXXXX	
60 Family - To Bus			XXXXX	
61 Not Reimbursable	. S			
62 Total Transportation Reimbursement	1:4			
63 Reimbursement Cap 90% of transportation expend				
64 Transportation Grant Total (lesser of 90% cap or total)			8)
F BASELINE FUNDING - MINIMUM AND MAXIMUM F	PAYMENTS			
65 Baseline Funding (2018-19 Formula Payment)	Ti.	\widetilde{E}'		2,927,254.06
66 Baseline Weighted Student Units (2018-19)				331.43
67 Baseline Funding Rate				\$8,832.19
	Baseline Funding		Weighted Student	
Adjustment for Maximum	Rate	Maximum Percent	Units	
68 Maximum Increase Amount	\$8,832.19	110%	2	(4)
oo Maximum moroaco / imaani				
	Baseline Funding		Weighted Student	
Adjustment for Minimum	Rate	Minimum Percent	Units	
69 Minimum Increase Per Student	\$8,832.19	102%	331.43	2,985,797.79
70 WSUs Above Baseline	\$10,237.00		2	28
71 Basline Funding Per Student	<u> </u>	5		2,985,797.79
72 Baseline Funding (from line 65)				2,927,254.06
73 Minimum Funding Percentage				1009
74 Minimum Funding Amount		K;		2,927,254.06
75 Minimum Increase Amount (greater of line 71 or line	74)			2,985,797.79
13 Millimulli lilotease Allibuitt tureater of life 1 i of life.				2,000,101.10

Phase-in Approach to Factors

Year Year Year Year Year

	Current	Year	Year	Year	Year	Year	Year	Year
	Factor	1	2	3	4	5	6	7
16 0-110	1.360	1.410	1.460	1.510	1.570	1.620	1.670	1.720
15 110-125	1.350	1.400	1.440	1.490	1.540	1.580	1.630	1.680
14 125-130	1.340	1.380	1.430	1.470	1.510	1.550	1.600	1.640
13 130-135	1.330	1.370	1.410	1.440	1.480	1.520	1.560	1.600
12 135-140	1.320	1.350	1.390	1.420	1.460	1.490	1.530	1.560
11 140-145	1.310	1.340	1.370	1.400	1.430	1.460	1.490	1.520
10 145-150	1.300	1.330	1.350	1.380	1.410	1.430	1.460	1.490
9 150-155	1.290	1.310	1.340	1.360	1.380	1.410	1.430	1.450
8 155-160	1.280	1.300	1.320	1.340	1.360	1.380	1.400	1.420
7 160-165	1.270	1.290	1.300	1.320	1.340	1.350	1.370	1.390
6 165-175	1.260	1.270	1.290	1.300	1.320	1.330	1.340	1.360
5 175-185	1.250	1.260	1.270	1.280	1.290	1.310	1.320	1.330
4 185-200	1.240	1.250	1.260	1.270	1.270	1.280	1.290	1.300
3 200-215	1.230	1.240	1.240	1.250	1.250	1.260	1.270	1.270
2 215-230	1.220	1.220	1.230	1.230	1.240	1.240	1.240	1.250
1 230-245	1.210	1.210	1.210	1.220	1.220	1.220	1.220	1.220
0 245-260	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200
0 260-270	1.190	1.190	1.190	1.190	1.190	1.190	1.190	1.190
0 270-275	1.180	1.180	1.180	1.180	1.180	1.180	1.180	1.180
0 275-280	1.170	1.170	1.170	1.170	1.170	1.170	1.170	1.170
0 280-285	1.160	1.160	1.160	1.160	1.160	1.160	1.160	1.160
0 285-290	1.150	1.150	1.150	1.150	1.150	1.150	1.150	1.150
0 290-295	1.140	1.140	1.140	1.140	1.140	1.140	1.140	1.140
0 295-300	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130
0 300-305	1.120	1.120	1.120	1.120	1.120	1.120	1.120	1.120
0 305-310	1.110	1.110	1.110	1.110	1.110	1.110	1.110	1.110
0 310-320	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100
0 320-335	1.090	1.090	1.090	1.090	1.090	1.090	1.090	1.090
0 335-350	1.080	1.080	1.080	1.080	1.080	1.080	1.080	1.080
0 350-360	1.070	1.070	1.070	1.070	1.070	1.070	1.070	1.070
0 360-370	1.060	1.060	1.060	1.060	1.060	1.060	1.060	1.060
0 370-380	1.050	1.050	1.050	1.050	1.050	1.050	1.050	1.050
0 380-390	1.040	1.040	1.040	1.040	1.040	1.040	1.040	1.040
0 390-400	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030
0 400-600	1.020	1.020	1.020	1.020	1.020	1.020	1.020	1.020
0 600-900	1.010	1.010	10.000.000	1.010	1.010	1.010	1.010	1.010
0 Over 900	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000