

TESTIMONY ON SB 2284
Senate Education COMMITTEE
February 1, 2023
By: Adam Tescher, School Finance Officer
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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 per-student 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 Minnewaukan 5	County District Number 03-005	Payment Month August	School Year 2022-2023
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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 other than education (NDCC 15.1-29-14) are also included.

Student Membership

- 1 PK Special Education
- 2 Kindergarten
- 3 Grade 1-6
- 4 Grade 7-8
- 5 Grade 9-12
- 6 Alternative High School
- 7 Total Average Daily Membership (ADM)

ADM	Weighting Factor	Weighted ADM
	1.000	
	1.000	
	1.000	
	1.000	
	1.000	
	1.000	

Other Program Membership

- 8 Alt High School (from line 6)
- 9 Special Ed ADM (from line 7)
- 10 PK Special Ed ADM (from line 1)
- 11 Regional Education Association (if member from line 7)
- 12 2022-23 Fall Enrollment above 2022 ADM
- 13 Spring 2022 On Time ADM Adjustment
- 14 ELL Level 1
- 15 ELL Level 2
- 16 ELL Level 3
- 17 At Risk
- 18 Home-Education (district supervised)
- 19 Alt Middle School
- Summer Programs
- 20 Summer School
- 21 Special Ed ESY
- Isolated School District
- 22 >275 sq miles and <100 ADM
- 23 >600 sq miles and <50 ADM

	0.250	
	0.082	
	0.170	
	0.002	
	0.700	
	0.600	
	0.400	
	0.280	
	0.070	
	0.025	
	0.200	
	0.150	
	0.600	
	1.000	
	0.100	
	1.100	

- 24 Total Weighted Average Daily Membership (add lines 7 through 23)
- 25 School District Size Weighting Factor
- 26 Total Weighted Student Units
- 27 Per Student Payment Rate
- 28 Total Formula Payment

\$10,237.00

Formula Adjustments

- 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 30)
- 32 Contribution from Property Tax (from line 48)
- 33 Contribution from Other Local Revenue (from line 41)
- 34 State Aid Payment (line 31 minus lines 32 and 33)

	70%	
		-
		-
		-
		-

State School Aid Summary

- 1 State Aid Formula Payment (from line 34)
- 2 Transportation (from line 64)
- 3 State Child Placement
- 4 Special Education Contracts - Agency
- 5 Special Education Contracts - School Placed
- 6 Special Education Contracts - Boarding
- 7 Special Education - Gifted and Talented

Entitlement	EFB Offset	Net Entitlement
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

Total State Aid

Excess Fund Balance Offset (from line 52)

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B CONTRIBUTION FROM OTHER LOCAL REVENUE	Total Revenue	Apportioned Revenue	Percent	
35 1300 Tuition	-	-	75%	-
36 2999 County	-	-	75%	-
37 US Flood	-	-	75%	-
38 Electric Generation, Distribution and Transmission Tax	-	-	75%	-
39 Mobile Home and Other In-Lieu Taxes	-	-	75%	-
40 Telecommunications	-	-	75%	-
41 Contribution from Other Local Revenue				-
	S & I Levy	Total Levy	Non S & I Percentage	
	-	51.08	100.00%	

C CONTRIBUTION FROM PROPERTY TAX			
42 District Taxable Valuation			3,929,679
43 Contribution Mill Rate			60
44 Contribution from Property Tax (line 42 times line 43 divided by 1000)			235,780.74
45 Minimum Local Effort Adjustment (NDCC 15.1-27-04.2)	-		-
46 Maximum Contribution Increase Adjustment (NDCC 15.1-27-04.1.4.a.)	259,325.00		-
47 Local Effort Adjustment NDCC 15.1-27-04.3			-
48 Adjusted Contribution from Property Tax (total lines 44, 45 and 46)			235,780.74

D EXCESS FUND BALANCE OFFSET (Delayed through 2023)			
49 General Fund Ending Balance			-
50 General Fund Expenditures			-
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				
Transportation Statistics				
	Rate	Miles	Rides	Total
53 Small Bus Miles	0.520		xxxxx	-
54 Large Bus Miles	1.110		xxxxx	-
55 Rural Rides	0.300	xxxxx		-
56 Small In-City Miles	0.520		xxxxx	-
57 Large In-City Miles	1.110		xxxxx	-
58 In-City Rides	0.300	xxxxx		-
59 Family - To School	0.250		xxxxx	-
60 Family - To Bus	0.250		xxxxx	-
61 Not Reimbursable	-			-
62 Total Transportation Reimbursement				-
63 Reimbursement Cap --- 90% of transportation expenditures				
64 Transportation Grant Total (lesser of 90% cap or total)				-

F BASELINE FUNDING - MINIMUM AND MAXIMUM PAYMENTS			
65 Baseline Funding (2018-19 Formula Payment)			2,927,254.06
66 Baseline Weighted Student Units (2018-19)			331.43
67 Baseline Funding Rate			\$8,832.19

Adjustment for Maximum	Baseline Funding Rate	Maximum Percent	Weighted Student Units	
68 Maximum Increase Amount	\$8,832.19	110%	-	-

Adjustment for Minimum	Baseline Funding Rate	Minimum Percent	Weighted Student Units	
69 Minimum Increase Per Student	\$8,832.19	102%	331.43	2,985,797.79
70 WSUs Above Baseline	\$10,237.00		-	-
71 Baseline Funding Per Student				2,985,797.79
72 Baseline Funding (from line 65)				2,927,254.06
73 Minimum Funding Percentage				100%
74 Minimum Funding Amount				2,927,254.06
75 Minimum Increase Amount (greater of line 71 or line 74)				2,985,797.79

[illegible][illegible]