

## ELEMENTARY AND SECONDARY EDUCATION SUMMARY

### FOUNDATION AID

The 2001-03 biennium executive budget recommendation provides a general fund appropriation of \$485.5 million for foundation aid, an increase of \$6.5 million, or 1.4 percent, from the 1999-2001 appropriation of \$479 million. The recommended per student payment amounts are \$2,323 during the first year of the biennium and \$2,420 for the second year, which compares to past payment levels as follows:

Fiscal Year	Per Student Payment	Increase From Prior Year	Percentage Increase From Prior Year
1997-98 (appropriation)	\$1,954	\$92	4.9%
1998-99 (appropriation)	\$2,032	\$78	4.0%
1999-2000 (appropriation)	\$2,145	\$113	5.6%
2000-01 (appropriation)	\$2,230	\$85	4.0%
2001-02 (recommendation)	\$2,323	\$93	4.2%
2002-03 (recommendation)	\$2,420	\$97	4.2%

### TUITION FUND

The executive budget recommendation includes tuition fund distributions of \$67.2 million, an increase of \$13.7 million, or 25.6 percent, from the 1999-2001 appropriation of \$53.5 million. The recommended appropriation will provide payments of approximately \$300 per census unit, an increase of \$50, or 20 percent, from the currently estimated 2000-01 payment of \$250. The executive recommendation is an increase of \$80, or 36 percent, from the 2000-01 appropriated payment of \$220. The executive recommendation amount is based on the assumption that the Board of University and School Lands will distribute all income available relating to tobacco settlement moneys which have been or will be deposited in the common schools trust fund.

### SPECIAL EDUCATION

The executive budget recommendation provides \$51.26 million for general fund special education grants, an increase of \$4.66 million, or 10 percent, from the 1999-2001 appropriation of \$46.6 million. Section 5 of 2001 House Bill No. 1013 provides legislative intent that the special education appropriation be distributed as follows:

1. \$12.665 million to reimburse school districts for special education contract costs (\$1.165 million more than the amount appropriated for the 1999-2001 biennium).
2. \$400,000 to reimburse school districts for gifted and talented programs (no change from the amount appropriated for the 1999-2001 biennium).
3. \$38.195 million distributed on the basis of average daily membership (ADM), pursuant to North Dakota Century Code (NDCC) Section 15-40.1-07.6 (\$3.495 million more than the amount appropriated for the 1999-2001 biennium).

### OTHER RECOMMENDATIONS

The executive budget recommendation also provides the following:

1. **Supplemental payments** - The executive budget includes **\$3.45 million** from the general fund for supplemental payments to school districts pursuant to NDCC Section 15-40.1-07.8, an increase of \$350,000.
2. **Average daily membership and declining enrollment payments** - **No appropriation** is provided for ADM or declining enrollment payments to school districts. The 1999 Legislative Assembly appropriated \$3.5 million for these payments for the 1999-2001 biennium.

3. **Educational Telecommunications Council grants - No appropriation** is provided to the Department of Public Instruction for general fund grants to be distributed by the Educational Telecommunications Council. However, the executive recommendation for the Information Technology Department includes \$3.5 million for these grants, a decrease of \$2.5 million from the 1999-2001 biennium appropriation provided to the Department of Public Instruction.
4. **SENDIT - No appropriation** is provided to the Department of Public Instruction for grants to SENDIT. However, the executive recommendation for the Information Technology Department includes \$1.97 million for SENDIT, a general fund increase of \$1.48 million from the 1999-2001 biennium appropriation provided to the Department of Public Instruction.
5. **Quality Schools Commission** - The executive budget includes a general fund appropriation of **\$575,192** for a grant to the Quality Schools Commission for expenses of the commission in implementing a quality assessment process for North Dakota elementary and secondary schools.
6. **Student data base** - The executive budget includes a general fund appropriation of **\$412,500** for the development of a student data base.
7. **Operating expenses for school improvement division** - The executive budget increases, by **\$5.5 million**, federal funds spending authority for operating expenses for the department's school improvement division to reflect federal grants anticipated to be available to contract with teachers for the development of curriculum and instructional strategies, to provide professional development for teachers, and for other school improvement activities.
8. **Reading and mathematics assessment** - The executive budget includes a general fund appropriation of **\$836,000** for the design and implementation of a standards-based assessment program for reading and mathematics for students in grades 4, 8, and 12.
9. **Contingent foundation aid distributions** - The executive budget does not include any recommendations regarding the distribution of foundation aid funds remaining unspent at the end of a biennium. Pursuant to 1999 Senate Bill No. 2162, any funds remaining unspent at the end of the 1999-2001 biennium will be distributed as follows:
  - a. The first \$1 million as supplemental payments on the basis of ADM.
  - b. The second \$1 million to assist school districts that have experienced declining enrollment.
  - c. The next \$2 million to school districts eligible to receive reorganization bonuses pursuant to Senate Bill No. 2441.
  - d. Any remaining amount as supplemental payments on the basis of ADM.