

ELEMENTARY AND SECONDARY EDUCATION SUMMARY

PER STUDENT AND TRANSPORTATION STATE AID

The Legislative Assembly provided a general fund appropriation of \$474 million for per student and transportation state aid, a decrease of \$5 million, or 1.1 percent, from the 1999-2001 appropriation of \$479 million. The per student payment amounts are \$2,287 the first year of the biennium and \$2,347 the second year, which compares to past payment levels as follows:

Fiscal Year	Appropriated Per Student Payment	Increase From Prior Year	Percentage Increase From Prior Year
1997-98	\$1,954	\$92	4.9%
1998-99	\$2,032	\$78	4.0%
1999-2000	\$2,145	\$113	5.6%
2000-01	\$2,230	\$85	4.0%
2001-02	\$2,287	\$57	2.6%
2002-03	\$2,347	\$60	2.6%

TUITION FUND

The Legislative Assembly appropriated \$67.2 million from the state tuition fund for distribution to school districts during the 2001-03 biennium, an increase of \$13.7 million, or 25.6 percent, from the 1999-2001 appropriation of \$53.5 million. The appropriation will provide payments of approximately \$300 per census unit, an increase of \$56 per census unit, or 23 percent, from the 2000-01 payment of \$244. The 2001-03 appropriation is an increase of \$80 per census unit, or 36.4 percent, from the 2000-01 appropriated payment of \$220. The 2001-03 biennium increase is primarily attributable to the Board of University and School Lands distributing all income earned on tobacco settlement moneys deposited in the common schools trust fund.

SPECIAL EDUCATION

The Legislative Assembly appropriated \$49.9 million for general fund special education grants, an increase of \$3.3 million, or 7.1 percent, from the 1999-2001 appropriation of \$46.6 million. Section 8 of 2001 House Bill No. 1013 provides legislative intent that the special education appropriation be distributed as follows:

1. \$12,665,000 to reimburse school districts for special education contract costs (\$1,165,000 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. \$36,833,695 distributed on the basis of average daily membership (ADM), pursuant to North Dakota Century Code (NDCC) Section 15.1-27-10 (\$2,100,000 more than the amount appropriated for the 1999-2001 biennium).

TEACHER COMPENSATION PAYMENTS

The Legislative Assembly appropriated \$35,036,000 for teacher compensation payments of \$1,000 the first year of the biennium and an additional \$2,000 the second year (second-year total of \$3,000 per teacher FTE) to approximately 8,884 eligible instructional personnel.

OTHER APPROPRIATIONS

The legislative appropriation also provides the following:

1. **Revenue supplement payments** - The Legislative Assembly appropriated \$2,200,000 from the general fund for supplemental payments to school districts pursuant to NDCC Section 15.1-27-11, a decrease of \$900,000 compared to the 1999-2001 biennium appropriation.
2. **Division of Independent Study** - The appropriation for the Division of Independent Study is no longer included in the appropriation for the Department of Public Instruction, pursuant to Senate Bill No. 2251, which provides that the appropriation be transferred to the Information Technology Department for use by the Educational Technology Council.
3. **Title I testing** - The Legislative Assembly provided a general fund appropriation of \$1,212,928 for developing and administering standards-based student tests and for the cost of reporting the results, as required by House Bill No. 1293.
4. **Contingent distributions - Per student payments and transportation aid** - The Legislative Assembly (House Bill No. 1344) provided for contingent distributions from the amount appropriated for per student and transportation state aid, as follows:
 - a. The first \$2 million, as estimated by the Department of Public Instruction for declining enrollment (see page E-7 for additional details).

- b. The second \$2 million for “hold harmless” payments based on the difference between the following:
 - (1) The total payments the district will receive during the 2001-03 biennium for per student payments at rates of \$2,287 and \$2,347 and for teacher compensation payments, as appropriated by the Legislative Assembly.
 - (2) The total payments the district would have received during the 2001-03 biennium for per student payments at rates of

\$2,439 and \$2,502 if no funds were appropriated for teacher compensation payments.

- c. Any remaining amount as supplemental per student payments.

- 5. **Contingent distributions - Teacher compensation payments -** The Legislative Assembly (House Bill No. 1344) provided for contingent per student payments if any amount appropriated for teacher compensation payments remains unspent for that purpose at the end of the 2001-03 biennium.