

# ELEMENTARY AND SECONDARY EDUCATION - SUMMARY OF KEY RECOMMENDATIONS

## STATE SCHOOL AID

The 2003-05 biennium executive budget recommendation provides a general fund appropriation of \$478,056,990 for state school aid, an increase of \$4,085,342, or 1 percent, from the 2001-03 appropriation of \$473,971,648. The recommended per student payment amounts are \$2,430 during the first year of the biennium and \$2,528 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 (appropriation)	\$2,287	\$57	2.6%
2002-03 (appropriation)	\$2,347	\$60	2.6%
2003-04 (recommendation)	\$2,430	\$83	3.5%
2004-05 (recommendation)	\$2,528	\$98	4.0%

## TEACHER COMPENSATION

The executive budget recommendation provides \$66,277,000 from the general fund for teacher compensation payments, an increase of \$31,241,000, or 89.2 percent, from the 2001-03 appropriation of \$35,036,000. The funding continues the current level of teacher compensation payments of \$1,000 for first-year teachers and \$3,000 for second-year returning teachers and provides an additional \$500 per third-year returning teacher in the first year of the 2003-05 biennium and an additional \$1,000 per fourth-year returning teacher in the second year of the biennium. The teacher compensation payments are summarized as follows:

	2001-03 Legislative Appropriation		2003-05 Executive Recommendation	
	2001-02	2002-03	2003-04	2004-05
New teachers	1,000	1,000	1,000	1,000
Second-year returning teachers		3,000	3,000	3,000
Third-year returning teachers			3,500	3,500
Fourth-year returning teachers				4,500

The executive budget recommendation does not include funding for these additional teacher compensation payments for teachers at the Division of Independent Study, the School for the Deaf, North Dakota Vision Services - School for the Blind, or the Youth Correctional Center.

## SPECIAL EDUCATION

The executive budget recommendation provides \$49,898,695 from the general fund for special education grants, the same level of funding appropriated for the 2001-03 biennium. Section 4 of 2003 Senate Bill No. 2013 provides legislative intent that the special education appropriation be distributed as follows:

1. \$13 million to reimburse school districts for special education contract costs (\$335,000 more than the amount appropriated for the 2001-03 biennium).
2. \$400,000 to reimburse school districts for gifted and talented programs (no change from the amount appropriated for the 2001-03 biennium).
3. \$36,498,695 to distribute on a per student basis pursuant to North Dakota Century Code (NDCC) Section 15.1-27-10 (\$335,000 less than the amount appropriated for the 2001-03 biennium).

## TUITION FUND

The executive budget recommendation includes tuition fund distributions of \$69,495,371, an increase of \$2,256,346, or 3.4 percent, from the 2001-03 appropriation of \$67,239,025. The recommended appropriation will provide payments of approximately \$335 per census unit, an increase of \$35, or 11.7 percent, from the 2000-01 and 2002-03 appropriated payment of \$300.

## OTHER RECOMMENDATIONS

The executive budget recommendation also provides for:

1. **Revenue supplemental payments** - The executive budget recommendation includes **\$3.2 million** from the general fund for revenue supplemental payments to school districts pursuant to NDCC Section 15.1-27-11, an increase of \$1 million from the 2001-03 appropriation of \$2.2 million.
2. **Reorganization and joint powers incentives** - The executive budget recommendation includes **\$1 million** from the general fund for reorganization bonus payments (\$500,000) and state cost-sharing assistance to districts entering into joint powers agreements (\$500,000). This represents a decrease in funding of \$665,000 from the 2001-03 biennium general fund appropriation of \$1,665,000 for reorganization bonus payments.
3. **Hold harmless payments** - The executive budget recommendation includes **\$1.2 million** from the general fund for hold harmless payments to school districts. The payments will be based on what school districts would have received if teacher compensation payments for the 2003-05 biennium remained constant at \$3,000 per teacher and funding recommended for additional teacher compensation payments was used to increase state school aid per student payments.
4. **Geographic education and national board certification programs** - **No appropriation** is provided for the geographic education program or the national board certification program due to professional development funds being available to school districts under the No Child Left Behind Act. The 2001 Legislative Assembly provided a \$100,000 general fund appropriation for the geographic education program and a \$41,500 general fund appropriation for the national board certification program.
5. **Governor's school program** - The executive budget recommendation increases the general fund appropriation for support of the Governor's school program by **\$20,000** from \$205,000 to \$225,000.
6. **Other grants** - The executive budget recommendation increases federal funding for other grants by approximately **\$27 million**, or 18 percent, from the 2001-03 (adjusted) appropriation of \$152 million, including an increase of \$25.8 million for Title II Part A teacher and principal quality funding and \$13.8 million for IDEA Part B special education grants and a decrease of \$12.2 million for class size reduction grants.
7. **Student data base** - The executive budget recommendation includes a special fund appropriation of **\$800,000** to allow the Department of Public Instruction to collect fees or generate other revenue for continuing a student data base project relating to the No Child Left Behind Act.
8. **Employee compensation report** - The executive budget recommendation removes funding of **\$200,000** from the general fund relating to funding provided in the 2001-03 biennium for expenses associated with the development of a school district compensation report.
9. **Contingent state school aid distributions** - The executive budget recommendation provides that any state school aid funds remaining unspent at the end of the 2003-05 biennium will be distributed as follows:
  - a. The first \$1 million as reorganization bonus payments to school districts pursuant to NDCC Section 15.1-12-11.1.
  - b. The second \$1 million as declining enrollment payments based upon actual declines in enrollment from 1999-2000 to 2002-03.
  - c. Any remaining amount as additional per student payments.