

ELEMENTARY AND SECONDARY EDUCATION - OVERVIEW

PER STUDENT, TRANSPORTATION AID, AND LIMITED ENGLISH PROFICIENCY PAYMENTS

The Legislative Assembly provided a general fund appropriation of \$489,379,990 for per student, transportation aid, and limited English proficiency payments, an increase of \$15,408,342, or 3.3 percent, from the 2001-03 appropriation of \$473,971,648. The per student payment amounts are \$2,509 the first year of the biennium and \$2,623 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%
2003-04	\$2,509	\$162	6.9%
2004-05	\$2,623	\$114	4.5%

TUITION FUND

The Legislative Assembly appropriated \$69,495,371 from the state tuition fund for distribution to school districts during the 2003-05 biennium, an increase of \$2,256,346, or 3.4 percent, from the 2001-03 appropriation of \$67,239,025. The appropriation will provide payments of approximately \$335 per census unit, an increase of \$25, or 8.1 percent, from the 2000-01 and 2002-03 payment of \$310. The 2003-05 appropriation is an increase of \$35 per census unit, or 11.7 percent, from the 2000-01 and 2002-03 appropriated payment of \$300.

SPECIAL EDUCATION

The Legislative Assembly appropriated \$49,898,695 for general fund special education grants, the same amount appropriated for the 2001-03 biennium. Section 7 of 2003 Senate Bill No. 2013 provides legislative intent that the special education appropriation be distributed as follows:

- \$13,000,000 to reimburse school districts or special education units for excess costs incurred relating to contracts for students with disabilities (\$335,000 more than the amount appropriated for the 2001-03 biennium).
- \$400,000 to reimburse school districts or special education units for gifted and talented programs (no change from the amount appropriated for the 2001-03 biennium).

- \$36,498,695 distributed on a per student basis as required by North Dakota Century Code (NDCC) Section 15.1-27-10 (\$335,000 less than the amount appropriated for the 2001-03 biennium).

TEACHER COMPENSATION PAYMENTS

The Legislative Assembly provided a general fund appropriation of \$51,854,000 to continue the current level of teacher compensation payments of \$1,000 for first-year teachers and \$3,000 per second-year returning teachers. The Legislative Assembly did not adopt the executive recommendation to provide an additional \$500 per third-year returning teacher in the first year of the 2003-05 biennium and additional \$1,000 per fourth-year returning teacher in the second year of the biennium. The 2003-05 appropriation is an increase of \$16,818,000 from the 2001-03 biennium appropriation of \$35,036,000. Section 38 of Senate Bill No. 2421 provides that each school district shall use an amount equal to at least 70 percent of all new money received for per student payments and tuition apportionment for the purpose of increasing the compensation paid to teachers. School districts may be exempted from the requirement if the board of the school district determines by an affirmative vote of two-thirds of its members that complying with the provisions would place the school district in the position of having insufficient fiscal resources to meet its other obligations.

OTHER APPROPRIATIONS

The legislative appropriation also provides the following:

- Revenue supplement payments** - The Legislative Assembly appropriated \$5 million from the general fund for supplemental payments to school districts pursuant to NDCC Section 15.1-27-11, an increase of \$2.8 million compared to the 2001-03 biennium appropriation of \$2.2 million.
- Reorganization bonus payments** - The Legislative Assembly provided a general fund appropriation of \$500,000 for reorganization bonus payments pursuant to NDCC Section 15.1-12-11.1.
- Contingent distributions - Per student payments and transportation aid** - The Legislative Assembly (Senate Bill No. 2421) provided for the following contingent distributions if any amount appropriated for per student and transportation state aid remains unspent at the end of the 2003-05 biennium:
 - The first \$250,000 for providing reimbursements to the chief administrators of joint powers agreements.
 - The next \$1 million for providing reorganization bonuses, pursuant to NDCC Section 15.1-12-11.1, to school districts having reorganizations effective after July 1, 2003, and before July 1, 2005.

- c. Any remaining amount as additional per student payments on a prorated basis according to the average daily membership of school districts during the 2004-05 school year.
- 4. **Contingent distributions - Teacher compensation payments** -
The Legislative Assembly (Senate Bill No. 2421) provided that if any funds appropriated for teacher compensation payments remain unspent, the department shall distribute contingent "hold harmless" payments to school districts based on the difference between the following:
 - a. The total payments the district will receive during the 2003-05 biennium for per student payments at the rates of \$2,509 and

- \$2,623 and teacher compensation payments, as appropriated by the Legislative Assembly.
 - b. The total payments the district would have received during the 2003-05 biennium for per student payments if the rates had included the total amount appropriated for teacher compensation payments.
- Any remaining amounts shall be used to provide additional per student payments on a prorated basis according to the average daily membership of school districts during the 2004-05 school year.