

ELEMENTARY AND SECONDARY EDUCATION - SUMMARY OF KEY RECOMMENDATIONS

STATE SCHOOL AID

The 2007-09 biennium executive budget recommendation provides funding of \$777,165,879, of which \$700,965,879 is from the general fund and \$76,200,000 is from the state tuition fund, for the proposed new state school aid program. This level of funding represents an increase of \$78.6 million, of which \$74 million is from the general fund and \$4.6 million is from the state tuition fund, from the 2005-07 legislative appropriation of \$698,565,879.

The executive budget recommendation for the state school aid program follows the recommendations of the Governor's Commission on Education Improvement, a commission created by the Governor in January 2006 pursuant to an Agreement to Stay Litigation executed by nine North Dakota school districts. The nine districts filed a complaint in district court requesting that the state's public school finance system be declared unconstitutional. The Agreement to Stay Litigation called for the creation of the Commission on Education Improvement to examine the current system of delivering and financing public elementary and secondary education and to provide recommendations on how to improve the current system of delivering and financing public elementary and secondary education.

The executive budget recommendation for the state school aid program:

- Consolidates funding for the state school aid program, including per student payments, teacher compensation payments, special education average daily membership payments, revenue supplemental payments, and tuition apportionment payments, into a new state school aid funding formula.
- Provides a base payment with weighting factor adjustments for various programs authorized by the North Dakota Century Code, such as special education, English language learners, alternative high school, and summer school; school district size; taxable valuations in excess of 150 percent of the state average; and local taxing efforts considerably below the statewide average.
- Includes a hold harmless provision ensuring each school district will receive an increase of no less than 2 percent compared to the 2006-07 fiscal year.

The recommended funding of \$777,165,879 is summarized as follows:

Per student formula payments	\$724,165,879 ¹
Transportation aid payments	33,500,000
Special education - Contracts	17,500,000
Joint powers agreement incentives	2,000,000
Total	\$777,165,879

¹ The funding of \$724,165,879 for per student formula payments consists of:	
Base per student formula payments	\$661,665,879
Special education - Average daily membership payments	43,000,000
Equity payments	16,500,000
Full-day kindergarten for at-risk students (beginning with the 2008-09 school year)	3,000,000
Total	\$724,165,879

ONE-TIME FUNDING

The executive budget recommendation provides \$900,000 of one-time general fund appropriations to the Department of Public Instruction to rewrite the state school aid computer system required as a result of the proposed new funding plan (\$400,000) and to rewrite the current teacher licensure application used by the department and the Education Standards and Practices Board (\$500,000).

OTHER RECOMMENDATIONS

The executive budget recommendation also provides for:

- **Governor's School program** - Provides \$270,000 from the general fund for support of the Governor's School program, the same level of funding provided in the 2005-07 biennium.

- **National writing projects** - Provides \$88,000 from the general fund for the Red River Valley Writing Project and the Northern Plains Writing Project, the same level of funding provided in the 2005-07 biennium.
- **North Dakota Museum of Art** - Provides \$250,000 from the general fund for support of the North Dakota Museum of Art educational outreach initiative, the same level of funding provided in the 2005-07 biennium.
- **North Dakota LEAD Center** - Provides \$235,000 from the general fund for support of the North Dakota LEAD Center, the same level of funding provided in the 2005-07 biennium.
- **Other grants** - Increases federal funding for other grants by approximately **\$19.5 million**, or 9.6 percent, from the 2005-07 appropriation of \$204.5 million, due to an increase for IDEA Part B special education grants.