

**STATE SCHOOL AID, OTHER GRANTS, AND DEPARTMENT OF PUBLIC INSTRUCTION ADMINISTRATION
COMPARISON OF 2005-07 APPROPRIATION AND ESTIMATED EXPENDITURES TO 2007-09 EXECUTIVE BUDGET AND LEGISLATIVE VERSIONS**

					2007-09 Appropriation Increase (Decrease) Compared to 2005-07 Appropriation	2007-09 Appropriation Increase (Decrease) Compared to 2005-07 Estimated Expenditures	2007-09 Appropriation Increase (Decrease) Compared to 2007-09 Executive Budget
	2005-07 Legislative Appropriation ¹	2005-07 Estimated Expenditures ²	2007-09 Executive Budget	2007-09 Legislative Appropriation			
State school aid program							
Per student formula payments	\$484,053,759	\$470,451,828	\$661,665,879	\$661,665,879	\$177,612,120	\$191,214,051	
Teacher compensation payments	50,912,120	50,768,260			(50,912,120)	(50,768,260)	
Special education - Average daily membership payments	37,000,000 ³	37,000,000 ³	43,000,000 ³	43,000,000 ³	6,000,000	6,000,000	
Revenue supplemental payments	5,000,000	5,000,000			(5,000,000)	(5,000,000)	
Equity payments			16,500,000	16,500,000	16,500,000	16,500,000	
Full-day kindergarten			3,000,000 ⁷	5,000,000 ⁷	5,000,000	5,000,000	\$2,000,000
Tuition apportionment	71,600,000	71,270,531			(71,600,000)	(71,270,531)	
Subtotal	\$648,565,879	\$634,490,619	\$724,165,879 ⁸	\$726,165,879 ⁸	\$77,600,000	\$91,675,260	\$2,000,000
Transportation aid payments	\$33,500,000	\$32,928,632	\$33,500,000	\$33,500,000		\$571,368	
Special education - Contracts	15,500,000	15,500,000	17,500,000	17,500,000	\$2,000,000	2,000,000	
Joint powers agreement incentives	1,000,000	1,000,000	2,000,000		(1,000,000)	(1,000,000)	(\$2,000,000)
Per student and transportation aid contingent distributions		14,173,299 ⁴				(14,173,299)	
Teacher compensation contingent distributions		143,860 ⁵				(143,860)	
Subtotal	\$50,000,000	\$63,745,791	\$53,000,000	\$51,000,000	\$1,000,000	(\$12,745,791)	(\$2,000,000)
Total - State school aid program	\$698,565,879	\$698,236,410	\$777,165,879	\$777,165,879	\$78,600,000	\$78,929,469	
General fund	\$626,965,879	\$626,965,879	\$700,965,879	\$700,965,879	\$74,000,000	\$74,000,000	
State tuition fund	71,600,000	71,270,531	76,200,000	76,200,000	4,600,000	4,929,469	
Total	\$698,565,879	\$698,236,410	\$777,165,879	\$777,165,879	\$78,600,000	\$78,929,469	
Other grants - General fund							
Reorganization bonuses	\$759,000	\$746,000			(\$759,000)	(\$746,000)	
Reorganization bonuses contingent distributions		13,000 ⁶				(13,000)	
Teacher center network	230,000	230,000	\$230,000	\$276,000	46,000	46,000	\$46,000
School food services	1,080,000	1,080,000	1,080,000	1,080,000			
Adult education grants	1,055,000	1,055,000	1,055,000	1,055,000			
LEAD Consortium	235,000	235,000	235,000	245,000	10,000	10,000	10,000
Governor's School	270,000	270,000	270,000	320,000	50,000	50,000	50,000
National writing projects	88,000	88,000	88,000	108,000	20,000	20,000	20,000
Rural art outreach project	250,000	250,000	250,000	295,000	45,000	45,000	45,000
FINDET	33,117	33,117	33,117	33,117			
National board certification	40,000	16,000	40,000	40,000		24,000	
Total other grants - General fund	\$4,040,117	\$4,016,117	\$3,281,117	\$3,452,117	(\$588,000)	(\$564,000)	\$171,000

Other grants - Other funds							
Federal grants	\$226,517,966	\$226,517,966	\$224,049,689	\$224,049,689	(\$2,468,277)	(\$2,468,277)	
Displaced homemaker program	240,000	240,000	240,000	240,000			
Total other grants - Other funds	<u>\$226,757,966</u>	<u>\$226,757,966</u>	<u>\$224,289,689</u>	<u>\$224,289,689</u>	<u>(\$2,468,277)</u>	<u>(\$2,468,277)</u>	
Total state school aid and other grants - All funds	\$929,363,962	\$929,010,493	\$1,004,736,685	\$1,004,907,685	\$75,543,723	\$75,897,192	\$171,000
Agency administration							
Administration (salaries, operating, equipment) - General fund	\$5,712,591	\$5,712,591	\$7,338,730	\$6,005,279	\$292,688	\$292,688	(\$1,333,451)
Administration (salaries, operating, equipment) - Other funds	19,541,669	19,541,669	25,590,758	25,178,549	5,636,880	5,636,880	(412,209)
Total agency administration - All funds	<u>\$25,254,260</u>	<u>\$25,254,260</u>	<u>\$32,929,488</u>	<u>\$31,183,828</u>	<u>\$5,929,568</u>	<u>\$5,929,568</u>	<u>(\$1,745,660)</u>
Total Department of Public Instruction - All funds	<u>\$954,618,222</u>	<u>\$954,264,753</u>	<u>\$1,037,666,173</u>	<u>\$1,036,091,513</u>	<u>\$81,473,291</u>	<u>\$81,826,760</u>	<u>(\$1,574,660)</u>
General fund	\$636,718,587	\$636,694,587	\$711,585,726	\$710,423,275	\$73,704,688	\$73,728,688	(\$1,162,451)
Other funds	317,899,635	317,570,166	326,080,447	325,668,238	7,768,603	8,098,072	(412,209)
Total	<u>\$954,618,222</u>	<u>\$954,264,753</u>	<u>\$1,037,666,173</u>	<u>\$1,036,091,513</u>	<u>\$81,473,291</u>	<u>\$81,826,760</u>	<u>(\$1,574,660)</u>
FTE	92.75	92.75	98.25	94.75	2.00	2.00	(3.50)

¹ 2005-07 appropriation - The 2005-07 appropriation amounts:

Include the 2005-07 deficiency appropriation of \$275,000 from the general fund to the Department of Public Instruction for operating expenses.

Include \$22 million of federal funds appropriated to the Department of Public Instruction for providing grants to school districts authorized in Section 5 of Senate Bill No. 2013.

² 2005-07 estimated expenditures - The 2005-07 estimated expenditures:

Include the 2005-07 deficiency appropriation of \$275,000 from the general fund to the Department of Public Instruction for operating expenses.

Include \$22 million of federal funds appropriated to the Department of Public Instruction for providing grants to school districts authorized in Section 5 of Senate Bill No. 2013.

³ Special education average daily membership - The amounts reported for special education average daily membership payments include the continuation of \$400,000 for gifted and talented programs.

⁴ 2005-07 contingent per student and transportation compensation distributions - At the present time, the Department of Public Instruction anticipates approximately \$14,173,000 of per student and transportation aid for the 2005-07 biennium may be available for distribution as contingent payments after all statutory obligations are met. The following is a summary of the contingent distributions based on Sections 27 and 28 of House Bill No. 1154 (2005) and Section 18 of Senate Bill No. 2013 (2007), which amends Section 28 of House Bill No. 1154 (2005):

The first \$759,000 to be returned to the general fund.

The next \$450,000 to provide additional payments to school districts serving English language learners in accordance with NDCC Section 15.1-27-12.

The next \$1 million to provide additional payments to school districts participating in eligible educational associations. (The first \$45,000 of the \$1 million is to be distributed during the 2007-09 biennium as grants in the amount of \$5,000 each to any educational association that commits to the development and implementation of a teacher mentoring program. The remaining \$955,000 is to be distributed as additional per student payments to school districts participating in eligible educational associations as provided in Section 32 of 2005 House Bill No. 1154.)

The next \$600,000 to provide for increases over the established baselines in the minimum percentage of state aid payable to a district per weighted student unit during the 2007-09 biennium.

The next \$2 million to provide additional transportation grants to school districts for the 2007-09 biennium as provided in 2007 Senate Bill No. 2200.

The next \$1 million to provide payments to school districts that are members of regional educational associations during the 2007-09 biennium.

The next \$30,000 to provide a grant to the Division of Independent Study for enhancing civic education.

The next \$15,000 to provide a one-time grant to the North Dakota Museum of Art for enhancing the Snow Country Prison Travel Exhibit.

The next \$200,000 to pay for the services of professionals and experts with whom the Commission on Education Improvement contracts with during the 2007-08 interim for assistance with its study of educational adequacy.

The next \$77,000 to provide funding to the Education Standards and Practices Board for providing payments to recipients of national board certification and scholarships to individuals seeking national board certification.

The next \$200,000 to provide additional payments to school districts offering an adult education program during the 2005-07 biennium.

The next \$400,000 to purchase automated external defibrillators and distribute to school districts.

The next \$395,000 to provide a grant to the North Central Council of School Television for licensing of education television programs for classroom use by North Dakota elementary and secondary schools, assisting with the North Dakota studies project, and other operating expenses.

The next \$500,000 to fund the rewrite of the state school aid computer system.

The next \$650,000 to fund the rewrite of the teacher licensure application used by the Department of Public Instruction and the Education Standards and Practices Board (The Education Standards and Practices Board is to pay the remaining \$80,000 of the anticipated total project cost.)

The next \$25,478 to reimburse eligible school districts that received reduced amounts of state aid. An eligible school district is one that received a reduction in state aid during the 2005-07 biennium because the district's general fund levy fell below 140 mills as the result of an accounting oversight.

The next \$90,000 to provide grants in the amount of \$1,000 to North Dakota residents who are licensed to teach by the Education Standards and Practices Board, have taught in the state during each of the last five school years, and are enrolled in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership.

The next \$50,000 to provide a grant for the Atlantik-Brucke teacher exchange program.

Any remaining amounts to be distributed as additional per student payments.

⁵ 2005-07 contingent teacher compensation distributions - Section 29 of House Bill No. 1154 (2005) provides that if any funds appropriated for teacher compensation payments for the 2005-07 biennium remain unspent after all statutory obligations are met, the Department of Public Instruction is to use the remaining funds to provide additional per student payments on a prorated basis according to the latest available daily membership of each school district.

⁶ 2005-07 contingent reorganization bonus distributions - Section 33 of House Bill No. 1154 (2005), as amended by the 2007 Legislative Assembly in House Bill No. 1178, provides that if any funds appropriated for reorganization bonus payments for the 2005-07 biennium remain unspent after the Department of Public Instruction completes the payment of bonuses for any reorganizations, the department is to use any remaining funds to provide additional per student payments on a prorated basis according to the latest available daily membership of each school district.

⁷ The executive budget recommendation for the 2007-09 biennium included \$3 million of funding from the general fund for full-day kindergarten for at-risk students beginning with the 2008-09 school year. The Legislative Assembly increased the funding by \$2 million from the general fund, from \$3 million to \$5 million, to expand funding for full-day kindergarten to all students beginning with the 2008-09 school year.

⁸ The Legislative Assembly did not change the executive budget recommendation to consolidate 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.