

## ANALYSIS OF THE STATE TUITION FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
	Actual		Estimated	
Beginning balance		\$1,133,040 <sup>1</sup>		\$1,149,699 <sup>1</sup>
Add revenues				
Fines for violation of state laws	\$9,144,166 <sup>2</sup>		\$9,300,000 <sup>2</sup>	
Transfers from the common schools trust fund	66,800,000		77,000,000	
Total revenues		75,944,166		86,300,000
Total available		\$77,077,206		\$87,449,699
Less expenditures and transfers				
State aid to schools	\$75,927,507 <sup>3</sup>		\$86,300,000 <sup>3</sup>	
Total expenditures and transfers		75,927,507 <sup>1</sup>		86,300,000 <sup>1</sup>
Ending balance		\$1,149,699 <sup>1</sup>		\$1,149,699 <sup>1</sup>

<sup>1</sup>Beginning/ending balance - North Dakota Century Code Section 15.1-28-03 provides for the distribution of money in the state tuition fund in August, September, October, November, December, January, February, March, and April of each fiscal year. Fine proceeds deposited in the tuition fund during May and June of each fiscal year are carried forward for distribution in August of the subsequent year.

<sup>2</sup>Fines for violation of state laws - The amount of state tuition fund distributions from fine proceeds is shown below:

Fiscal Year	Revenue From Fines	Percentage Increase (Decrease) From Previous Year
1998	\$3,384,890 (actual)	
1999	\$3,818,890 (actual)	12.8%
2000	\$4,866,644 (actual)	27.4%
2001	\$4,241,256 (actual)	(12.9%)
2002	\$4,778,756 (actual)	12.7%
2003	\$4,607,423 (actual)	(3.6%)
2004	\$4,721,407 (actual)	2.5%
2005	\$4,507,137 (actual)	(4.5%)
2006	\$4,506,316 (actual)	(0.01%)
2007	\$4,590,395 (actual)	1.9%
2008	\$4,692,048 (actual)	2.2%
2009	\$4,452,118 (actual)	(5.1%)
2010	\$4,650,000 (estimate)	4.4%
2011	\$4,650,000 (estimate)	0.0%

<sup>3</sup>State aid to schools - The 2007 Legislative Assembly in Senate Bill No. 2200 consolidated 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 with a new distribution methodology.

**NOTE:** The estimated June 30, 2011, balance made at the end of the 2009 legislative session was \$1,125,088. The increase in the estimated balance of \$24,611 is due to the actual July 1, 2009, balance being more than estimated at the close of the 2009 legislative session due to lower than anticipated fine collections in the 2009 fiscal year and lower than anticipated state aid to schools payments.

#### **FUND HISTORY**

The state tuition fund originated in 1889 with enactment of the Constitution of North Dakota. The original constitutional provisions have not changed significantly since enactment and are currently contained in Article IX, Section 2, of the Constitution of North Dakota, which provides that payments to the common schools trust fund of the state include:

- Interest and income from the common schools trust fund.
- All fines for violation of state laws.
- All other amounts provided by law.

Section 15.1-28-01 provides that the state tuition fund consists of the net proceeds from all fines for violation of state laws and leasing of school lands (included in transfers from the common schools trust fund) and the interest income from the state common schools trust fund. Section 15.1-28-03 directs the Office of Management and Budget, on or before the third Monday in January, February, March, April, August, September, October, November, and December of each year, to certify to the Superintendent of Public Instruction the amount of the state tuition fund. Prior to the 2007-09 biennium, the Superintendent of Public Instruction apportioned the money in the state tuition fund among the school districts in the state based on the number of school-age children in the district. The 2007 Legislative Assembly in Senate Bill No. 2200 consolidated 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 with a new distribution methodology; therefore, beginning with the 2007-09 biennium, the Superintendent of Public Instruction includes the money in the state tuition fund in state school aid payments to school districts as determined by Chapter 15.1-27.