

**STATE SCHOOL AID, OTHER GRANTS, AND DEPARTMENT OF PUBLIC INSTRUCTION ADMINISTRATION
COMPARISON OF 2007-09 APPROPRIATION AND ESTIMATED EXPENDITURES TO 2009-11 EXECUTIVE BUDGET AND LEGISLATIVE VERSIONS**

	2007-09 Legislative Appropriation	2007-09 Estimated Expenditures	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Appropriation Increase (Decrease) Compared to 2007-09 Appropriation	2009-11 Appropriation Increase (Decrease) Compared to 2007-09 Estimated Expenditures	2009-11 Appropriation Increase (Decrease) Compared to 2009-11 Executive Budget
State school aid program							
State school aid	\$726,165,879 ¹	\$726,165,879 ¹	\$837,125,879 ¹	\$808,370,295 ¹	\$82,204,416	\$82,204,416	(\$28,755,584)
State school aid - 2005-07 contingent distributions	600,000 ²	600,000 ²			(600,000)	(600,000)	
State school aid - Potential transfer		4,622,985 ³				(4,622,985)	
Transportation aid payments	33,500,000	33,500,000	38,500,000	43,500,000	10,000,000	10,000,000	5,000,000
Transportation aid payments - 2005-07 contingent distributions	2,000,000 ²	2,000,000 ²			(2,000,000)	(2,000,000)	
Special education - Contracts	17,500,000	17,500,000	15,500,000	15,500,000	(2,000,000)	(2,000,000)	
Special education - Contracts potential transfer		(4,622,985) ³				4,622,985	
Supplemental operations grants				16,795,584	16,795,584	16,795,584	16,795,584
Supplemental one-time grants				85,644,337	85,644,337	85,644,337	85,644,337
Mill levy reduction grants				295,000,000 ⁷	295,000,000	295,000,000	295,000,000
Regional education associations - 2005-07 carryforward	1,000,000 ²	1,000,000 ²			(1,000,000)	(1,000,000)	
Total - State school aid program	\$780,765,879	\$780,765,879	\$891,125,879	\$1,264,810,216	\$484,044,337	\$484,044,337	\$373,684,337
General fund	\$704,565,879	\$704,565,879	\$805,625,879	\$1,092,865,879	\$388,300,000	\$388,300,000	\$287,240,000
Federal funds				85,644,337	85,644,337	85,644,337	85,644,337
State tuition fund	76,200,000	76,200,000	85,500,000	86,300,000	10,100,000	10,100,000	800,000
Total	\$780,765,879	\$780,765,879	\$891,125,879	\$1,264,810,216	\$484,044,337	\$484,044,337	\$373,684,337
Other grants - General fund							
Deferred maintenance and physical plant improvement grants	\$5,000,000 ⁴	\$5,000,000 ⁴			(\$5,000,000)	(\$5,000,000)	
Teacher center network	276,000	276,000	\$310,000	\$360,000	84,000	84,000	\$50,000
School food services	1,080,000	1,080,000	1,380,000	1,380,000	300,000	300,000	
Adult education grants	1,055,000	1,055,000	1,055,000	1,850,000	795,000	795,000	795,000
LEAD Center	245,000	245,000	260,000	260,000	15,000	15,000	
Governor's School	320,000	320,000	365,000	410,000	90,000	90,000	45,000
National writing projects	108,000	108,000	108,000	153,000	45,000	45,000	45,000
Rural art outreach project	295,000	295,000	345,000	345,000	50,000	50,000	
Other grants	33,117	33,117	(137,883)		(33,117)	(33,117)	137,883
North Dakota Geographic Alliance			125,000	226,000	226,000	226,000	101,000
North Central Council for School Television			50,000	445,000	445,000	445,000	395,000
Mentoring program			2,300,000 ⁵	2,300,000 ⁵	2,300,000	2,300,000	
Instructional coaching pilot project			500,000				(500,000)
National board certification fund				500,000	500,000	500,000	500,000
Continuing education grants				100,000	100,000	100,000	100,000
Atlantik-Brucke teacher exchange program				75,000	75,000	75,000	75,000
North Dakota young entrepreneur education program				100,000	100,000	100,000	100,000
"We the People" program				18,000	18,000	18,000	18,000
National board certification	40,000	40,000	95,000	102,500	62,500	62,500	7,500
Total other grants - General fund	\$8,452,117	\$8,452,117	\$6,755,117	\$8,624,500	\$172,383	\$172,383	\$1,869,383

	2007-09 Appropriation	2007-09 Estimated Expenditures	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Appropriation Increase (Decrease) Compared to 2007-09 Appropriation	2009-11 Appropriation Increase (Decrease) Compared to 2007-09 Estimated Expenditures	2009-11 Appropriation Increase (Decrease) Compared to 2009-11 Executive Budget
Other grants - Other funds							
Federal grants	\$244,049,689 ⁶	\$244,049,689 ⁶	\$237,265,604	\$304,873,120	\$60,823,431	\$60,823,431	\$67,607,516
Displaced homemaker program	240,000	240,000	240,000	240,000			
Total other grants - Other funds	<u>\$244,289,689</u>	<u>\$244,289,689</u>	<u>\$237,505,604</u>	<u>\$305,113,120</u>	<u>\$60,823,431</u>	<u>\$60,823,431</u>	<u>\$67,607,516</u>
Total state school aid and other grants - All funds	\$1,033,507,685	\$1,033,507,685	\$1,135,386,600	\$1,578,547,836	\$545,040,151	\$545,040,151	\$443,161,236
Agency administration							
Administration (salaries, operating, equipment) - General fund	\$6,053,201	\$6,053,201	\$7,921,445	\$7,915,211	\$1,862,010	\$1,862,010	(\$6,234)
Administration (salaries, operating, equipment) - Other funds	25,288,784	23,541,669	36,799,542	36,563,697	11,274,913	13,022,028	(235,845)
Total agency administration - All funds	<u>\$31,341,985</u>	<u>\$29,594,870</u>	<u>\$44,720,987</u>	<u>\$44,478,908</u>	<u>\$13,136,923</u>	<u>\$14,884,038</u>	<u>(\$242,079)</u>
Total Department of Public Instruction - All funds	\$1,064,849,670	\$1,063,102,555	\$1,180,107,587	\$1,623,026,744	\$558,177,074	\$559,924,189	\$442,919,157
General fund	\$719,071,197	\$719,071,197	\$820,302,441	\$1,109,405,590	\$390,334,393	\$390,334,393	\$289,103,149
Other funds	345,778,473	344,031,358	359,805,146	513,621,154	167,842,681	169,589,796	153,816,008
Total	<u>\$1,064,849,670</u>	<u>\$1,063,102,555</u>	<u>\$1,180,107,587</u>	<u>\$1,623,026,744</u>	<u>\$558,177,074</u>	<u>\$559,924,189</u>	<u>\$442,919,157</u>
FTE	94.75	94.75	99.75	99.75	5.00	5.00	

¹ State school aid - The amounts reported for state school aid include the base per student formula payments, special education average daily membership payments, equity payments, and full-day kindergarten (beginning with the 2008-09 school year). For the 2009-11 biennium, the amount for state school aid also includes payments to regional education associations.

² Section 18 of Senate Bill No. 2013 (2007) provided for the contingent distribution for any money appropriated for per student payments and transportation payments that remains after payment of all statutory obligations for per student and transportation payments during the 2005-07 biennium. Contingent distributions totaling \$12.8 million, after returning \$759,000 to the general fund, included:

	Authorized Amount Pursuant to Section 18 of 2007 Senate Bill No. 2013
Additional payments to school districts serving English language learners in accordance with North Dakota Century Code Section 15.1-27-12	\$450,000
Additional payments to school districts participating in eligible educational associations	1,000,000
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	600,000
Additional transportation grants to school districts for the 2007-09 biennium as provided in 2007 Senate Bill No. 2200	2,000,000
Payments to school districts that are members of regional education associations during the 2007-09 biennium	1,000,000
Grant to the Division of Independent Study for enhancing civic education	30,000
One-time grant to the North Dakota Museum of Art for enhancing the Snow Country Prison Exhibit	15,000
Payments to professionals and experts the North Dakota Commission on Education Improvement contracted with during the 2007-08 interim for assistance with its study of educational adequacy	200,000
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	77,000
Additional payments to school districts offering an adult education program during the 2005-07 biennium	200,000

Purchase of automated external defibrillators and distribution to school districts	400,000
Grant to the North Central Council of School Television for licensing of educational television programs for classroom use by North Dakota elementary and secondary schools, assisting with the North Dakota studies project, and other operating expenses	395,000
Rewrite of the state school aid computer system	500,000
Rewrite of the teacher licensure application used by the Department of Public Instruction and the Education Standards and Practices Board	650,000
Reimbursements to 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.	25,748
Grants 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	90,000
Grant for the Atlantik-Brucke teacher exchange program	50,000
After providing for the contingency items noted above, \$5.1 million of remaining funding was distributed by the department to the school districts as additional per student payments in June 2007.	<u>5,100,000</u>
Total	<u>\$12,782,748</u>

³ To provide the state school aid payments for the second year of the 2007-09 biennium at the appropriated per student rate, the Department of Public Instruction anticipates transferring an estimated \$4.6 million in general fund appropriation authority from the grants - special education contracts line item to the grants - state school aid line item. Section 58 of House Bill No. 1400 (2009) amended Section 55 of Chapter 163 of the 2007 Session Laws relating to 2007-09 contingent distributions to provide that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds appropriated for special education contracts prior to determining the remaining state school aid funds.

⁴ Section 50 of Senate Bill No. 2200 (2007) provided a \$5 million general fund appropriation to the Department of Public Instruction for school districts' deferred maintenance and physical plant improvement grants contingent upon the Office of Management and Budget projecting either the June 30, 2008, or the June 30, 2009, ending general fund balance to be \$30 million more than projected by the Office of Management and Budget at the end of the 2007 legislative session. In April 2008 the Office of Management and Budget projected the June 30, 2008, ending balance would exceed the legislative estimate by more than \$30 million and the deferred maintenance and physical plant improvement grants were made available to school districts. The department anticipates all of the grant funds will be expended.

⁵ The Legislative Assembly did not change the executive budget recommendation for the 2009-11 biennium to provide \$2.3 million of funding from the general fund for a new mentoring program to provide training and support for new teachers.

⁶ The amounts reported for other grants from federal funds include \$20 million of federal funds appropriated to the Department of Public Instruction for providing grants to school districts authorized in Section 8 of 2009 House Bill No. 1013.

⁷ The executive recommendation included a continuing appropriation from the permanent oil tax trust fund for property tax relief by providing mill levy reduction grants totaling an estimated \$300 million for the 2009-11 biennium.