



NORTH DAKOTA DEPARTMENT OF
PUBLIC INSTRUCTION

School Finance

Annual School Administrators Workshop

August 5, 2016

Baymont Inn and Suites
Mandan, ND



ND Department of Public Instruction

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ND K-12 2015-16 Statistics

	Public Districts	Non-Public	State Institutions	BIE	Sp Ed Units	Vo Ed Centers	Total
LEAs	179	43	4	5	31	13	275
Schools	373	53	4	6	-	-	436
K-12 Enrollment	106,070	6,594	288	1,590	-	-	114,542
Licensed Staff	10,358	691	75	233	400	127	11,884
Non-Licensed Staff	6,316	512	75	176	231	50	7,359
Graduates	6,683	343	72	32	-	-	7,130

School Finance Facts

- Published by End of February
- Consists of
 - Revenues and Expenditures of each district
 - Taxable Valuation by school district
 - Cost of Education in each school district
 - Number of Teachers employed by the school districts
 - School District Average Daily Membership (ADM) and Weighted ADM

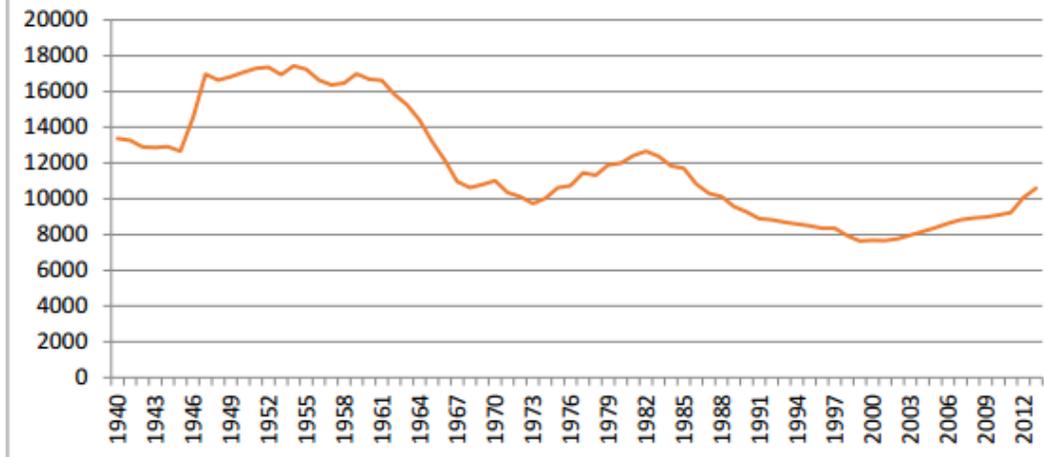
North Dakota Public K-12 Enrollment

School Year	Other	Big 9	Grand Total
1994	61,515	56,997	118,512
1995	61,604	57,045	118,649
1996	61,158	57,407	118,565
1997	60,484	57,332	117,816
1998	59,504	56,599	116,103
1999	58,111	55,818	113,929
2000	56,460	55,245	111,705
2001	54,120	53,974	108,094
2002	52,082	53,135	105,217
2003	50,444	52,569	103,013
2004	49,000	52,137	101,137
2005	47,568	51,756	99,324
2006	45,958	51,162	97,120
2007	44,560	51,040	95,600
2008	43,379	50,678	94,057
2009	42,306	51,100	93,406
2010	41,914	51,801	93,715
2011	41,878	52,851	94,729
2012	42,274	53,504	95,778
2013	43,590	55,602	99,192
2014	44,116	57,540	101,656
2015	44,839	59,439	104,278
2016	45,423	60,647	106,070
2017	46,716	62,357	109,073
2018	48,109	64,266	112,375

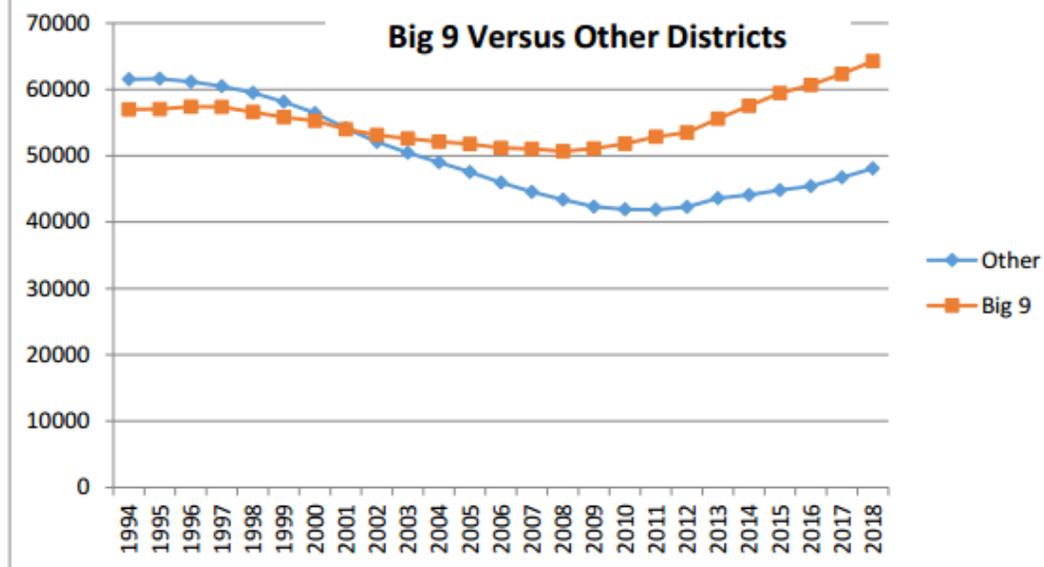
Prepared by School Finance, 02/2016

2017 and 2018 projected using 5 year cohort survival routine

North Dakota Resident Births



Big 9 Versus Other Districts



Big 9 - Fargo, Bismarck, Grand Forks, West Fargo, Minot, Mandan, Dickinson, Williston, Jamestown (enr. over 2,000).

ND Public K-12 Enrollment Cohorts
Unduplicated Fall Enrollment Count

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	---> projected	
													2017	2018
Kindergarten	6,663	6,578	6,648	6,729	7,214	7,470	7,445	8,236	8,575	8,822	9,033	8,925	9,078	9,270
Grade 1	7,130	6,907	6,704	6,827	6,744	7,147	7,478	7,517	8,366	8,605	8,901	9,051	9,027	9,180
Grade 2	6,965	6,916	6,747	6,511	6,748	6,725	7,195	7,487	7,707	8,401	8,642	8,871	9,140	9,119
Grade 3	7,052	6,913	6,907	6,787	6,541	6,839	6,914	7,225	7,723	7,853	8,417	8,663	9,007	9,278
Grade 4	7,079	7,014	6,929	6,931	6,812	6,547	6,972	7,025	7,379	7,817	7,989	8,433	8,815	9,173
Grade 5	7,323	7,077	7,001	6,983	6,962	6,904	6,675	7,023	7,291	7,531	7,953	7,984	8,591	8,997
Grade 6	7,703	7,299	7,130	7,036	7,074	7,089	7,140	6,884	7,338	7,462	7,809	8,096	8,252	8,903
Grade 7	8,002	7,877	7,465	7,289	7,218	7,249	7,367	7,320	7,254	7,585	7,661	7,948	8,374	8,544
Grade 8	8,106	7,987	7,868	7,467	7,360	7,301	7,297	7,421	7,496	7,335	7,638	7,694	8,053	8,491
Grade 9	8,534	8,461	8,262	8,045	7,670	7,572	7,578	7,462	7,796	7,776	7,672	7,931	8,013	8,367
Grade 10	8,499	8,235	8,174	8,002	7,855	7,683	7,682	7,517	7,515	7,707	7,678	7,607	7,890	7,978
Grade 11	8,186	7,992	7,961	7,802	7,620	7,563	7,415	7,354	7,414	7,414	7,458	7,434	7,417	7,691
Grade 12	8,120	7,864	7,804	7,643	7,588	7,626	7,563	7,308	7,338	7,348	7,427	7,433	7,403	7,381
Total	99,362	97,120	95,600	94,052	93,406	93,715	94,721	95,779	99,192	101,656	104,278	106,070	109,060	112,372
Change		(2,242)	(1,520)	(1,548)	(646)	309	1,006	1,058	3,413	2,464	2,622	1,792	2,990	3,312

SB 2013 – State School Aid Program

State school aid program	2013-15 Appropriation	SB 2013 2015-2017 Appropriation	Change from 2013-15
State school aid - Integrated formula payments	1,752,100,000	1,916,640,000	164,540,000
Transportation	53,500,000	57,000,000	3,500,000
Rapid enrollment grants	13,600,000	14,800,000	1,200,000
Special education - Contracts	16,500,000	17,300,000	800,000
Total - State school aid program	1,835,700,000	2,005,740,000	170,040,000
General fund	1,695,374,000	1,786,606,000	91,232,000
State tuition fund	140,326,000	219,134,000	78,808,000
Total - State school aid program	1,835,700,000	2,005,740,000	170,040,000

K-12 School Funding Formula

		Example
<i>Part One: Calculate Base Funding Amount</i>		
	Student Membership (ADM)	300
+	<u>Other Program Weighted ADM</u>	<u>30</u>
=	Weighted ADM	330
x	<u>School District Size Factor</u>	<u>1.13</u>
=	Weighted Student Units	373
x	<u>Per Student Rate</u>	<u>9,365</u>
=	Total Formula Amount	3,493,145
+/-	<u>Transition Adjustments</u>	<u>-</u>
=	Total Adjusted Formula Amount	3,493,145
<i>Part Two: Determine State Aid Payment</i>		
Local Share	60 mills times taxable valuation	600,000
	<u>75%-100% of other local in-lieu revenue</u>	<u>60,000</u>
State Share	Difference is State Aid Payment	2,833,145

Highlights – payment rates

- Increase base payment rate 3% + 3%
\$8,810/\$9,092 → \$9,365/\$9,646
- Increase minimum baseline rate 2% + 2%
102%/104% → 106%/108%
- Increase maximum baseline rate 10% + 10%
110%/120% → 130%/140%

English Language Learners

- Increased ELL factor for level I and II 10%
 - Level I from .30 to .33
 - Level II from .20 to .22
 - \$1,000,000 for supplemental grants to the four schools serving the largest number of Level I and II ELL Students
- Effective July 1, 2017
 - Level I – from .33 to .40
 - Level II – from .22 to .28

Other Considerations

- Baseline mechanics
- Redirects for special education and REA
- At-risk factor ADM
 - 3 year average percent of FRPL for grades 3-8 times ADM
- Ending fund balance percentage
 - June 30 2016 = 40% + \$20,000
 - June 30 2017 = 35% + \$20,000

Transportation

- \$3.5 million increase over the previous biennium
- Rates based on transportation formula as it existed on June 30, 2001, with the following rate changes:
 - Large bus (capacity 10 or more)
 - \$1.18 per mile
 - \$0.32 per one-way trip
 - Small bus (capacity less than 10)
 - \$0.55 per mile
 - \$.054 family transportation
 - Per day per one-way trip
 - Per day up to two one-way trips is required by IEP to attend outside the district
 - SB 2015 authorizes a supplemental \$3 million distribution at the end of 2015-17 if un-obligated funds are available from the State Aid Formula line item

Rapid Enrollment Grants

- \$14,800,000 appropriated
- K-12 fall enrollment to prior K-12 enrollment
- Tier I funding
 - 4% or 150 students and must be at least 20 students
 - Payment is \$4,000 per student over 2%
 - 21 Districts qualified for Tier I funding for \$5,061,960
- Tier II funding
 - 2% or 75 students and must be at least 10 students
 - Payment is \$2,000 per student over 2%
 - 14 Districts qualified for Tier II funding for \$370,820

STARS Reporting

- STARS is the State Automated Reporting System
- Web based data collection system
 - District Administration
 - Students
 - Teachers
 - Special Programs
- Collection periods
 - Fall ... September 15
 - Year end ... June 30
 - Smaller collections at December 1 (SpEd child count) and end of summer (summer programs)
- [STARS information page](#)

School Construction

- [School Construction Approval](#)
 - Projects over \$150,000 require DPI approval.
 - Steady or increasing enrollment
- Legislature made \$250 million available through Bank of North Dakota loans over for 2015-17
 - 2% rate
 - Must publish tax effects on both residential and commercial property
 - Must have passed a bond vote

General Fund Levy Authority

- General Fund Levy
 - 12% increase in dollars up to a levy of 70 mills
 - Voters can authorize a specified levy rate for up to 10 years
 - [NDCC 57-15-14](#)
 - 60 mills is considered local contribution in the funding formula

Other Levy Authority

<u>Purpose</u>	<u>Max. Rate</u>	<u>References</u>
Tuition	None	15.1-29-15; 57-15-14.2(1)(c);
Judgments	None	21-03-06(7)
Special Assessments	None	57-15-41
Building Fund	20 mills	57-15-14.2; 57-15-16;15.1-09-49
Bond Sinking & Interest	None	21-03-15; 57-15-14.4; 57-15-14.2(5)(b)
Special Reserve	3 Mills	57-19-01; 57-15-14.2(3)
Miscellaneous Fund	12 Mills	57-15-14.2(2)

Public Hearing on Property Tax Increase

- A taxing district may not impose a property tax levy in a greater number of mills than the “Zero Increase Number of Mills” unless:
 - Publish notice in its official newspaper at least 7 days before a hearing on its property tax levy.
 - Property owners with 10% or more increases in assessed valuation are notified by mail.
 - The assessor provides the names and addresses
 - Announce the scheduled time and place the governing body shall make final adoption of its property tax levy.
- “Zero Increase Number of Mills” is last year’s levy divided by this year’s taxable valuation (excluding new growth).

Other Important Finance Forms

- [SFN 9149 Public School District Budget and Tax Levy – Certificate of Levy](#)
- [SFN 24754 - School District Maximum Levy Worksheet](#)
- [SFN 9150 – School District Taxable Valuation, Tax Levies and Bond Elections](#)
- [SFN 19378 – Open Enrollment Application](#)
- [SFN 50014 – Worksheet for Calculating Tuition](#)

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School Staff



Community



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School Finance and Organization



[School District Finance](#)

School district funding and budgeting information.

[School District Organization](#)

Information related to the school district annexation, dissolution, and reorganization process.

[Teacher Compensation](#)

End-of-Year Employee Compensation Reports for North Dakota Teacher and Administrators.

[Regional Education Associations](#)

Directory information and links to Regional Education Associations (REAs)

[Open Enrollment](#)

Information and application procedures regarding the North Dakota's Open Enrollment law.

[STARS Enrollment Reports](#)

Brief overview of the enrollment reports and their due dates

ND Department of Public Instruction Home Page

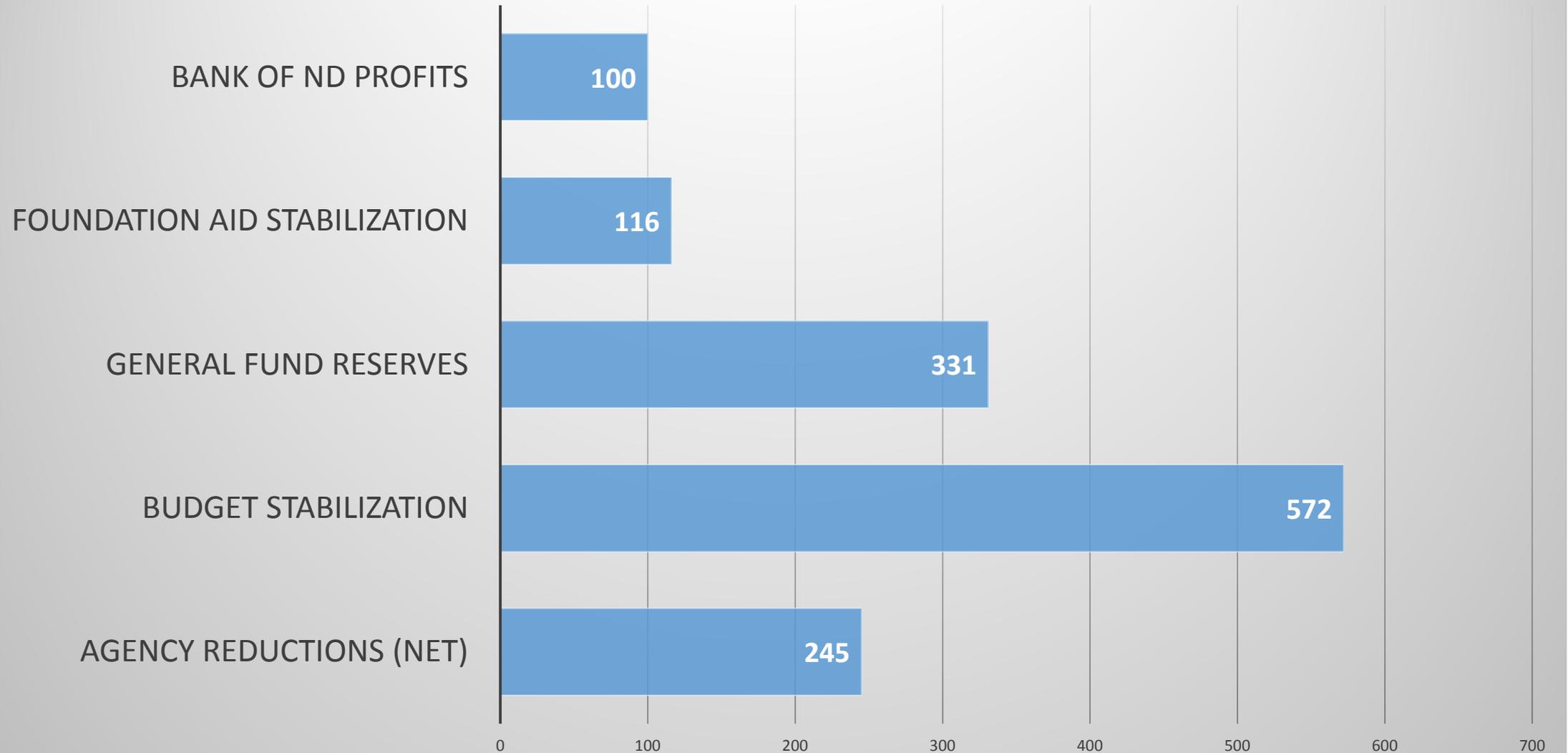
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K-12 Constitutional Trust Funds

- Common School Trust Fund
 - Over \$3 Billion in Assets
 - Receives revenue from oil extraction tax, tobacco settlement and interest and earnings from school trust lands
 - Contributed \$206 million towards the K-12 formula in 2015-17
- Foundation Aid Stabilization Fund
 - Estimated balance at July 2017 is \$600 million
 - Can only be accessed to cover budget allotments by Executive Order
 - Ballot Measure [SCR 4003](#)
 - Limit the balance to 15% of the general fund appropriation for state school aid
 - Allows the legislature to transfer or appropriate excess for education-related purposes

Special Session – SB 2379



Expectations for the Upcoming Biennium

- Early Projections
 - 3,000 new students
 - 12% growth in taxable valuation
 - This translates to \$164 million cost to continue
 - \$81 million from state taxes, remainder from local sources
 - This is the amount needed to cover additional students and rates set for 2016-17.
- Numbers will be updated based on new data available in the fall
 - Expect both students and taxable valuation growth to be lower than initial projections
- The outlook for any increases in rates or program enhancements is dismal.



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