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Formula Funding Highlights

State Aid Formula

- Section 11 ... Requires funding for REAs generated through the formula to go directly to REAs.
- Section 30 New weighting factors:
 - .07 Special Education
 - .30 ELL level 1
 - .20 ELL level 2
 - .07 ELL level 3
 - .002 Technology factor
 - .004 REA factor
- Section 31 ... New weighting factor effective July 1, 2011:
 - .025 at-risk factor using 3-8 FRPL data.
- Section 32 Per student rates at \$3,200 year 1 and \$3,779 year 2
- Section 33 ... Baseline funding – minimum and maximum allowable increases
 - Minimum increases 108%/112.5% baseline funding rate
 - Maximum increases 120%/134% baseline funding rate
- Section 34 ... Equity payments.

- Freezes the mill rate for the equity calculations at 2008-09 levies to harmonize with the property tax relief bill.
- Includes U.S. Flood, mobile home, telecommunication, REC gross receipts payments in the imputed taxable valuation calculation.
- Section 35 ... Provides a hold harmless clause to any reorganized district ensuring that their equity payment will not decrease for a period of two years.
- Section 36 ... Allows the equity payment for a dissolved school district to continue to be paid to the acquiring districts for two years.
- Section 38 ... Provides for the ADM calculation to consider the additional days added to the calendar.
- Section 39 ... Amends the Excess Fund Balance offset
 - Any offset will be applied to all state payments rather than only state school aid payments.
 - Allows for the exclusion of US flood control payments and any ARRA payments received directly from the federal government and the supplemental one-time grants.
- The minimum levy offset was repealed in section 64.

Transportation

- Section 54 ... Increases the per mile rate for buses with capacity of 10 or more to 92 cents per mile and small buses to 44 cents per mile. The per student transported payments increases to 24 cents per ride.

Special Education Contracts

- Section 41 ... Changes the district liability factor in the special education contracts formula from 4 1/2 times the state average to 4 times the state average.

Appropriations

- Section 52 ... Appropriates supplemental one-time grants of \$85,644,337
 - Funds must be used for the improvement, renovation, repair, or modernization of school buildings, equipment, vehicles for transporting students, curriculum materials, Title I expenditures or professional development.
 - Funds may not be used for any other purpose including temporary property tax reductions, principal payments on outstanding debt, new construction, new staff or compensation increases.
 - Districts must report describing all expenditures, obligations and other commitments made with the grants.
 - Grants will be distributed on an ADM basis in four monthly installments beginning September 1, 2009.
- Section 53 ... Appropriates supplemental operational grants of \$16,795,584 distributed on an ADM basis in one payment on September 1, 2009.
- Section 55 ... Re-authorizes \$100,000 for reorganization planning grants. The grants may not exceed \$25,000 and may not be awarded unless the student enrollment of the participating districts exceeds 360.
- Section 56 ... Provides annual \$25,000 base grants to REAs.

- Section 57... Provides for a baseline adjustment for a school district that had a dramatically understated baseline funding amount due to an extraordinary payment received at year end.

Student Performance Strategies

Student Contact Days

- Section 5 ... Amends the school calendar
 - 2009-10 – 180 days
 - 173 student contact days
 - 3 selected holidays
 - 2 parent teachers days
 - 2 professional development days
 - 2010-11 – 181 days
 - 174 student contact days
 - 3 selected holidays
 - 2 parent teachers days
 - 2 professional development days
 - 2011-12 – 182 days
 - 175 student contact days
 - 3 selected holidays
 - 2 parent teachers days
 - 2 professional development days

Beginning 2010-11, a school district may provide an optional professional development day through four two hours early dismissal days.

Tutoring

- Section 8 ... Requires a student performance strategist in the ratio of one individual for every 400 students in grades K-3. A “student performance strategist” is either a K-3 tutor or an instructional coach for other teachers and must be certified as an elementary teacher.

Summer School

- Section 21 ... Expands eligibility for summer school to include kindergarten for remediation and allows approved mathematics, reading, science and social studies courses for grades 5-8. This is effective for programs approved for the summer of 2010.
- Section 37 ... Harmonizing language with section 21.

Pk Early Childhood Education Council

- Section 43 ... Creates a North Dakota early childhood education council, which is required by federal regulations for any state administering a Head Start program.
- Section 44 ... Outlines the duties of the ND early childhood education council.

- Section 45 ... Provides for reimbursement of ND early childhood education council members. Legislative members are entitled to per diem for attending meetings.

Career Advisors

Provides for the duties and certification requirements for “career advisors through CTE

- Section 1 ... CTE will develop a program leading to certification in career development facilitation. The position is to be called career advisor.
- Section 2 ... Allows for provisional certification for career advisor in their first two years.
- Section 6 ... Counselor requirement; one counselor for every 300 students in grade 7-12. One third of this requirement can be met with career advisors. This will become effective for 2010-11.
- Section 7 ... Outlines the duties for career advisors. It includes career development, career information and career exploration opportunities to students in grades seven through twelve.

Professional Development

- Section 12 ... Creates a national board certification fund to provide a source of funding for grants to teachers pursuing national board certification, limited to \$2,500 per applicant. Recipients may be required to mentor other teachers.
- Section 13 ... Requires professional development plans to be adopted, reported and reviewed for completeness, effectiveness, and implementation. The superintendent of public instruction shall provide staff support to the advisory committee.
- Section 48 ... Appropriates \$2.3 million for ESPB to provide teacher support program grants to train experienced teachers to serve as mentors for first year teachers. If a district does not need 1st year teacher mentoring then other teachers could receive additional training.
- Section 49 ... Appropriates \$500,000 to DPI for creation of the national board certification fund.
- Section 50 ... Appropriates \$100,000 to DPI for continuing education grants for individuals pursuing certification in career development facilitation or school counseling. The \$1,200 grants are awarded to eligible applicants based on the order received.

Curriculum

- Section 14 ... Aligns high school course offering requirements with the new graduation requirements. Provides that Native American language be included as a required language option.
- Section 15 ... Sets high school course graduation requirements at 22 units and consisting of 4 English, 3 math, 3 science, 3 social studies, 1 PE, 3 focused

- electives from foreign language, fine arts and career and technical education, and 5 electives. Becomes effective July 1, 2010.
- Section 16 ... Provides an alternative curriculum for students at risk of dropping out.
 - Section 17 ... Defines the requirements for a North Dakota career and technical education scholarship.
 - Section 18 ... Defines the requirements for a North Dakota academic scholarship.
 - Section 19 ... North Dakota scholarship students may receive \$750 for each semester they are enrolled full time at an accredited college, up to a maximum of \$6,000 per student. Applies to high school graduates during or after the 2010-11 school year.
 - Section 20 ... North Dakota scholarship opportunities for 2009-10 high school graduates.
 - Section 26 ... Beginning July 1, 2010, each school district shall expose students to concepts of personal finance through the economics or problems of democracy curriculum.
 - Section 27 ... A student must read the Declaration of Independence, the United States Constitution and the Bill of Rights as part of U.S. government or problems of democracy.
 - Section 28 ... Parental qualifications for home education supervision was changed to high school diploma or GED.
 - Section 29 ... Aligns home education diploma requirements with the high school diploma requirements.

Assessments

- Section 22 ... Requires annual formative assessments for student in grades two through ten.
- Section 23 ... Requires a career interest inventory in grades 7 and 8 and in grades 9 and 10.
- Section 24 ... Public and non-public eleventh grade student are required to take the ACT or three WorkKeys assessments. The school district of residence is responsible for the cost of one summative assessment and its administration per student.
- Section 25 ... GED students may take the ACT or three WorkKeys assessments at district expense.

Commission on Education Improvement

- Section 40 ... Reauthorizes the Commission.
 - Adds advisory members from higher education, private higher education, and business.
 - Replaces the Business Manager voting member with Career and Technical Education.
 - Allows the Governor to appoint the chair.

- The Legislative Management chairman appoints school district representatives from a list of superintendents who have not served before. NDCEL will make the recommendations.
- Provides for expenses and per diem up to \$40,000 from the state aid appropriation. Per Diem is limited to legislators and business representatives.
- Outlines the study issues for the commission.
 - Examine the current delivery and financing system,
 - Examine graduation requirements, curricular standards, and assessments,
 - Examine measures implemented this session for improving student performance, and
 - Examine measures enacted this session to improve the quality of instruction, confirm their implementation and recommend future measures for improvement.
- Section 65 ... sunsets the Commission on Education Improvement on December 31, 2010.

Legislative Council Studies

- Section 61 ... Legislative council study for approval and accreditation standards.
- Section 62 ... Legislative council study of weather related cancelations.
- Section 63 ... Legislative council study of the displacement of students due to fire, flood, tornado, storm, chemical damage as a result man-made or natural disasters.

Reporting

- Section 3 ... Requires DPI and DHS to jointly develop a system providing information to families regarding state and federally funded health insurance programs and to encourage application for coverage if available.
- Section 4 ... Requires DPI to notify the superintendent and board of each school district, by registered mail, that federal stimulus dollars received under ARRA should be used for onetime, non-recurring expenditures and that the state is not responsible for sustaining that level of expenditures. Districts must publish a notice twice in the thirty day period following the notification in the official newspaper of the district.
- Section 9 ... Requires school districts to use PowerSchool as their principal student information system.
- Section 10 ... Requires school districts to obtain an appraisal of its buildings, facilities and inventory and update insurance policies to replacement value.

Other

- Section 42 ... Suspends the “the ability to sustain a stable or increasing student enrollment for a period of time at least equal to the anticipated usable life of the project” requirement for construction approvals for a period of two years.

- Section 46 ... Harmonizing language for the English language learner definition for the changes made in the compulsory attendance age.
- Section 47 ... The allowable increase in general fund levies was changed from “18% over the dollars levied the previous year” to “12 % over the dollars levied the previous year”.
- Section 51 ... Requires 70% of new money received for state school aid and supplemental operations grants must be used for increasing teacher compensation. Funding identified as equity payments, REA payments, reorganization planning grants and \$11.58 per weighted student unit are excluded from the definition of new money.
- Section 58 ... Amends prior session law to allow the transfer of un-obligated special education contracts funds to the state aid line item for 2007-09.
- Section 59 ... Provides for the distribution of un-obligated special education contracts and state school aid funding at the end of the 2009-2011 biennium.
- Section 60 ... In the event of a shortfall in the funding to cover special education contracts, a transfer from the Bank of ND in the amount necessary will be authorized by the industrial commission. A request for a deficiency appropriation to return the funds will be requested by the DPI in the next budget cycle.

Repealers, Effective Dates, Expiration Dates and Emergency Declarations

- Section 64 ... Repealers
 - 15.1-2-02.2 regarding new high school graduation requirements.
 - 15.1-27-20.1 regarding minimum levy offset.
 - 15.1-38-01.2 new immigrant English language learner definition.
- Section 66 ... Effective dates
 - Section 47 related to levy limitations are effective for taxable years beginning December 31, 2008.
 - The new graduation requirements in Section 15 and Section 16 become effective July 1, 2010.
 - Section 65 sunsets the Commission on December 31, 2010.
 - Section 31 relating to the at-risk factor becomes effective July 1, 2011.
- Section 67 ... Expiration dates
 - Sections 39 and 42 are effective through June 30, 2011 and after that date are ineffective.
 - Section 28 is effective through July 31, 2011 and after that date is ineffective.
- Section 68 ... Declares Sections 39 (excess fund balance) and 58 (transfer authority) are declared to be an emergency measure.

HB 1400 Section Index

Section	Category	Description
Section 1	Career Counseling	Career development certification
Section 2	Career Counseling	Provisional certification
Section 3	Reporting	Government funded health insurance information
Section 4	Reporting	ARRA one-time funding notification
Section 5	Student Performance Strategies	Student contact days
Section 6	Career Counseling	Career counselor requirement
Section 7	Career Counseling	Career counselor - duties
Section 8	Student Performance Strategies	Tutoring
Section 9	Reporting	PowerSchool requirement
Section 10	Reporting	Building appraisal and insurance reviews
Section 11	State Aid Formula	REA grants
Section 12	Professional Development	National Board Certification fund
Section 13	Professional Development	Professional development plans
Section 14	Curriculum	High school course offerings
Section 15	Curriculum	High school diploma requirements
Section 16	Curriculum	Optional high school curriculum
Section 17	Curriculum	ND career and technical education scholarship
Section 18	Curriculum	ND academic scholarship
Section 19	Curriculum	ND scholarship amounts
Section 20	Curriculum	ND scholarships 2009-10 graduates
Section 21	Student Performance Strategies	Summer school
Section 22	Assessments	Formative assessments
Section 23	Assessments	Career interest inventory
Section 24	Assessments	Summative assessment - ACT
Section 25	Assessments	Summative assessment for GED students
Section 26	Curriculum	Personal finance exposure
Section 27	Curriculum	Required reading of historical documents
Section 28	Curriculum	Home education parental qualifications
Section 29	Curriculum	Home education diploma requirements
Section 30	State Aid Formula	Weighted ADM
Section 31	State Aid Formula	At-Risk factor
Section 32	State Aid Formula	Per student rates
Section 33	State Aid Formula	Baseline funding
Section 34	State Aid Formula	Equity payments
Section 35	State Aid Formula	Reorganized equity hold harmless
Section 36	State Aid Formula	Dissolved equity hold harmless
Section 37	Student Performance Strategies	Summer school
Section 38	State Aid Formula	ADM calculation
Section 39	State Aid Formula	Excess fund balance waivers

HB 1400 Summary – 61st Legislative Assembly

Section 40	Commission on Ed Improvement	Reauthorization
Section 41	Special Education Contracts	District liability factor
Section 42	Other	Construction approval criteria
Section 43	Student Performance Strategies	PK Council - creation
Section 44	Student Performance Strategies	PK Council - duties
Section 45	Student Performance Strategies	PK Council - member reimbursement
Section 46	Other	ELL age harmonizing amendment
Section 47	Other	General fund levy increases
Section 48	Professional Development	Appropriation - Teacher support program grants
Section 49	Professional Development	Appropriation - National Board Certification fund
Section 50	Professional Development	Appropriation - Continuing education grants
Section 51	Other	70% Teacher Compensation requirement
Section 52	Appropriations	Supplemental one-time grants
Section 53	Appropriations	Supplemental operations grants
Section 54	Transportation	Rate changes
Section 55	Appropriations	Re-authorizes reorganization planning grants
Section 56	Appropriations	REA base grants
Section 57	Appropriations	Prior biennium baseline adjustment
Section 58	Other	Current biennium transfer authorization
Section 59	Other	Provisions allowing distribution of all funding
Section 60	Other	Special education contract funding authority
Section 61	Legislative Council Studies	School approval and accreditation
Section 62	Legislative Council Studies	Weather related cancelations
Section 63	Legislative Council Studies	Displacement of students
Section 64	Repealers, Effective Dates, Etc.	Repealers
Section 65	Commission on Ed Improvement	Sunsets Commission 12/31/2010
Section 66	Repealers, Effective Dates, Etc.	Effective dates
Section 67	Repealers, Effective Dates, Etc.	Expiration dates
Section 68	Repealers, Effective Dates, Etc.	Emergency measure declarations

State Aid To Schools

	Biennial Appropriation 1999-2001	Biennial Appropriation 2001-2003	Biennial Appropriation 2003-2005	Biennial Appropriation 2005-2007	Biennial Appropriation 2007-2009	Biennial Appropriation 2009-2011
Grants - State school aid	443,006,259	437,971,648	454,579,490	484,053,759	726,165,879	808,370,295 *
Grants - Transportation	36,000,000	36,000,000	34,800,000	33,500,000	33,500,000	43,500,000
Grants - Special education aid	46,600,000	49,898,695	49,898,695	52,500,000	17,500,000	15,500,000
Grants - Supplemental operations						16,795,584
K-12 State Aid Formula Payments	525,606,259	523,870,343	539,278,185	570,053,759	777,165,879	884,165,879
Grants - National Board Certification fund HB 1400						500,000
Grants - Mentoring Program HB 1400						2,300,000
Grants - Supplemental one-time						85,644,337
Grants - Mill Levy Reduction SB 2199						295,000,000
Grants - Continuing education						100,000
Grants - teacher compensation payments		35,036,000	51,854,000	50,912,120		
Grants - tuition apportionment	53,528,217	67,239,025	69,495,371	71,600,000		
Grants - revenue supplement payments	3,100,000	2,200,000	5,000,000	5,000,000		
Grants - ADM supplemental pmt	2,500,000					
Grants - declining enrollment supp pmt	1,000,000					
Grants - reorganization bonuses		1,665,000	500,000	759,000		
Grants - JPA incentives (SB 2200)				1,000,000		
Total state aid to schools - DPI	585,734,476	630,010,368	666,127,556	699,324,879	777,165,879	1,267,710,216
		44,275,892	36,117,188	33,197,323	77,841,000	490,544,337
		7.6%	5.7%	5.0%	11.1%	63.1%
Contingent Appropriation						
Deferred Maintenance and Physical Improvement Grants					5,000,000	
Supplemental Transportation Payments						5,000,000
General fund		636,425,958				
Federal one-time ARRA state stabilization funds		85,644,337				
State tuition fund		86,300,000				
*Grants - State School Aid		808,370,295				