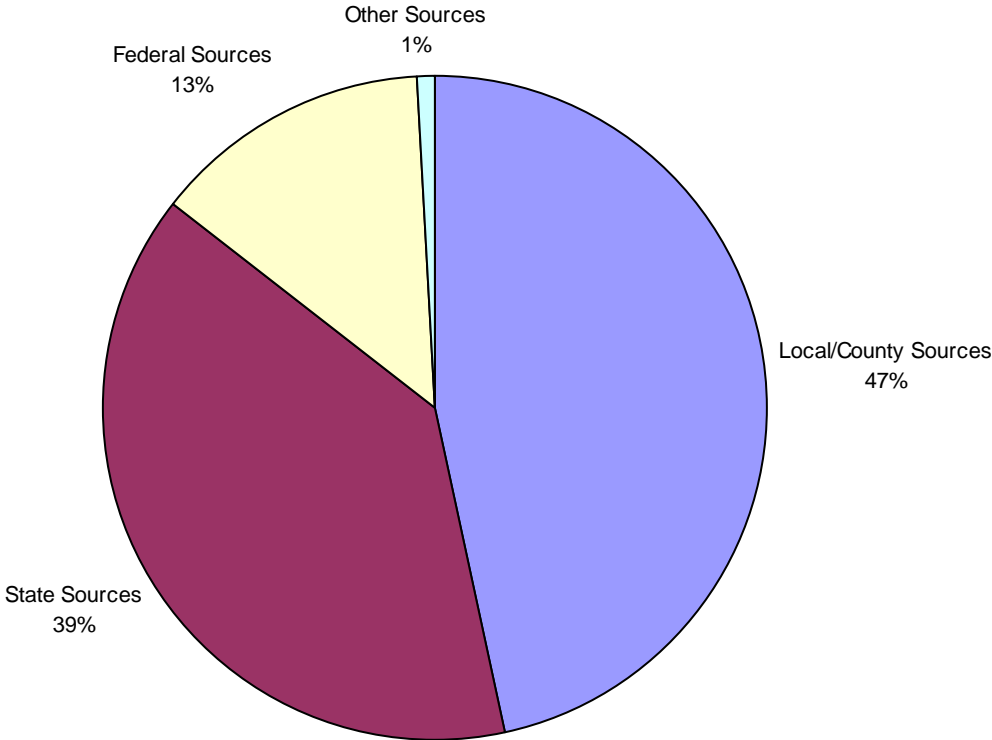


# State Aid Formula

- History
- Scope
- New Formula
- Other Funding
  - Transportation
  - Excess Cost Reimbursement
- Distribution Schedule
- STARS
  - Reporting timeframes
  - WEB information

2006-2007 School District General Fund Revenue - \$893 Million



# History

- A foundation aid program has existed since 1959.
- Weighting factors were added in the 70s recognizing different costs by class category and district size.
- Equity lawsuits in 1989 and 2003

# New Formula

The 2007 legislature enacted a comprehensive revision of the K-12 state school aid program.

It is based on the work done during the interim by the North Dakota Commission on Education Improvement

It provides a framework designed to improve the adequacy and equitable distribution of funding for schools.

# Line Item Changes

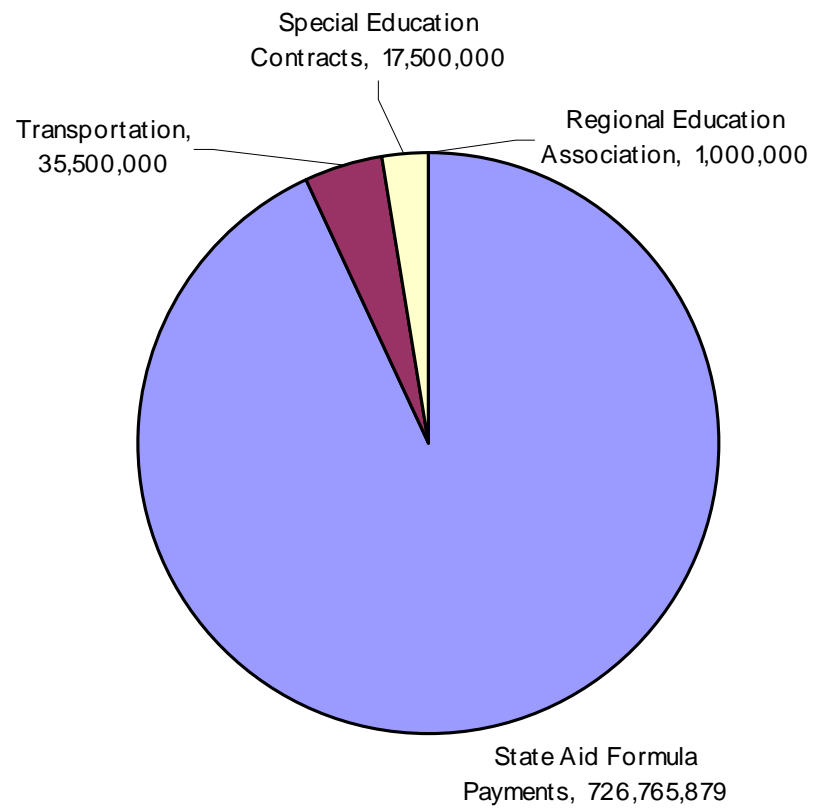
## ■ Old Formula

- Per Student
- Tuition Apportionment
- Special Education
- Teacher Compensation
- Supplemental Revenue
- Transportation
- Excess Cost Reimbursements

## ■ New Formula

- State Aid Formula
- Transportation
- Excess Cost Reimbursements

## 2007-2009 State Aid to Schools Appropriation - \$781 Million



# Main Formula Highlights

- Virtually all state aid previously appropriated and distributed separately is now distributed through a single student based formula
- Weighting factors are used to reflect the additional costs of educating students based on factors such as school, size, special education, and limited English programs.

# District Size Weighting Factor

- Separate factors based on grade category and district size were replaced with a single district factor.
- Based on K-12 ADM
  - 1.25 - less than 185
  - 1.25 to 1.00 –185 to 900
  - 1.00 - 900 and over

# Equalization Features

- Equity is achieved by imputing a local valuation behind each student educated by the district and adjusting state aid payments for those below 90% and above 150% of the state average.
- The “Mill Deduct” as a means of providing equalization was eliminated.

# Low Valuation Districts

- Districts below 90% of the state average imputed taxable valuation per student will receive a supplemental payment to bring them up to the statewide average.

# High Valuation Districts

- Districts above 150% of the state average imputed taxable valuation per student will have their payment reduced by 75% of the valuation exceeding the state average.
- 70% of tuition and county revenue is considered in imputed taxable valuation.

# Extremely Low Valuation Districts

- Extremely low valuation districts (less than 50% of the state average) are guaranteed at least 20% of the statewide valuation per student.

# Additional Adjustments

- Continues to adjust payments to districts with low local taxing effort and large fund balances.
- Minimum Levy Effort
  - 155 mills
- Excess Fund Balances
  - 45% of expenditures + \$20,000

# Baseline Funding Per Student

- A one time baseline funding per weighted student unit amount will be calculated for each school district.
- Represents the effective state funding per weighted student unit for all programs moved into the new formula.
- This is the amount used for all transitional adjustments.

# 2<sup>nd</sup> Year Baseline Transitional Adjustments

- No district will receive less than:
  - 6% increase in baseline funding per weighted student unit
- No district will receive more than:
  - 12% increase in baseline funding per weighted student unit
  - Equity payments are excluded

# State Funding for Full Day Kindergarten

- Implemented the 2<sup>nd</sup> year.
- Full time is based on the same definition as other elementary students.
- Programs less than full time will be prorated. (5.5 hours x 5 days or 1650 minutes per week is considered full time).
- Fall enrollment will be used to determine the payment for 2008-09 to allow state participation the first year of implementation (one time only window).

# Special Education Contracts

- \$2 million added to contract funding.
- The multiplier for excess cost reimbursement was increased to 4 ½ times the state average cost of education.
- Co-pays and other state revenue offsets are eliminated.
- District spending more than 2% of its annual budget on a single special education student are limited to the 2% amount.

# Transportation Grants

- The first year payment will again be based on the rates in law on June 30, 2001 except that mileage rates for:
  - Large rural buses is increased to 73.5¢ per mile.
  - Large in-city buses is increased to 51.5¢ per mile.
  - Small rural vehicles remains at 40¢ per mile.
- The second year payment will block granted based on the first year payment.

# Teacher Compensation Increases

- Continues the directive that 70% of state aid increases must be used for increasing the compensation of teachers.
- Determined by subtracting 2007-09 per student payments from comparable 2005-07 funding.

# Deferred Maintenance Grants

- Triggered upon State general fund balance exceeding projections by more than \$30 million.
- \$5 million earmarked for this purpose.
- Eligible districts must levy at least 150 mills, not be subjected to excess fund balance adjustments and must provide a monetary match.
- \$10,000 plus a prorated share of the remaining appropriation based on ADM.

# WEB Foundation Aid Report

- Payment Voucher
- Worksheet Calculations
- Activate as a STARS report

# State Aid Distribution Schedule

## ■ Estimated

- August and September ... 10%
- October ... 20%

## ■ Actual

- November ... 20%
- December through April ... 8%

# 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)

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## Additional Department Resources

- Programs & Services >
- Resources >
  - Admin. & Instructional Personnel
    - Data in Public Schools
  - Biennial Report
  - DPI Data Advisory Committee
  - Education Directory
  - SY 07-08 Free and Reduced Data by District and Site
  - K-12 Course Codes & Descriptions
  - ND School District Accounting & Reporting Manual
  - ND School District Map 2007-08
  - Online Reporting System (ORS) Information
  - Scholarships
  - School District Profile
  - School Finance Facts
  - School Listings
  - STARS - State Automated Reporting System
  - Teacher Licensure (ESPB)
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- Grants >
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- > [Administrative & Instructional Personnel Data in Public Schools](#)
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- > [DPI Data Advisory Committee](#)
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- > [Indiana Department of Education Core 40](#)
  - [Core 40 Power Point Presentation](#)
  - [North Dakota-Indiana Core 40 Comparison](#)
  - [Indiana General High School Diploma Requirements](#)
  - [Core 40, Core 40 with Technical Honors, and Core 40 with Academic Honors Diploma Requirements](#)
- > [SY 07/08 Free and Reduced Data](#)
- > [PK-12 Course Codes & Descriptions](#)
- > [North Dakota High School Activities Association](#)
- > [North Dakota School District Accounting & Reporting Manual \(NDSFARM - 8/26/02\)](#) PDF
  - [NDSFARM Replacement Pages only \(8/25/02 revisions\)](#) PDF
- > [North Dakota School District Map 2007-08](#)
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