

**Department of Public Instruction**

600 E Boulevard Ave., Dept. 201, Bismarck, ND 58505-0440

(701) 328-2260 Fax - (701) 328-2461

<http://www.dpi.state.nd.us>Dr. Wayne G. Sanstead  
State Superintendent**To:** Education Funding and Taxation Committee**From:** Jerry Coleman  
Director - School Finance**Date:** October 18, 2012**Re:** SB 2150 Section 39 – Use of New Money

---

Section 39 of SB 2150 directs school districts to use at least 70% of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation paid to teachers who begin employment with the district on or after July 1, 2011.

This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence is accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.

Within ten days of the vote, the school board is required to notify the superintendent of public instruction of its action.

The Department received one notice related this requirement during the current biennium. The documentation detailing the grounds for the school board determination and action is attached to this memorandum.

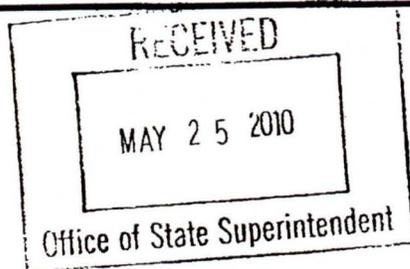
# New Town Public School

**OFFICERS:**

Cary Enno, President  
Daniel Uran, Business Manager

**DIRECTORS:**

Edward S. Danks, Jr.  
Martha Hunter  
Jerry Uran  
Delvin Driver, Jr.



Marc S. Bluestone, Superintendent  
NEW TOWN PUBLIC SCHOOL DISTRICT NO. 1  
A FULLY ACCREDITED SCHOOL  
Business Office Telephone 627-3650  
High School Office 627-3658  
Middle School Office 627-3660  
Elementary Office 627-3718  
Fax 627-3689  
P.O. Box 700  
New Town, North Dakota 58763-0700

*The mission of New Town Public School District #1 is to create an environment which develops, nurtures and reinforces the success of students, as well as all people served by the district, through the shared involvement of home, community and school. Our purpose is to develop and provide quality curriculum to prepare students to think, reason and thrive in a diverse society.*

*New Town Public School District #1 envisions schools where teachers learn together and students experience success through authentic, real-life learning activities; focusing on an appreciation of the diversity of society and an ever-changing world, thereby creating the greatest opportunities possible for students.*

*School Improvement Goals: Students will improve reading/language arts skills.  
Students will improve mathematics skills.*

May 24, 2011

Dr. Wayne Sanstead,

The New Town Board of Education met on May 19, 2011 to conduct a public hearing regarding Senate Bill No. 2150. Section 39. Use of New Money – Teacher Compensation Increases – Reports to the Legislative Management. At the public hearing, the Board of Education presented documentary evidence and listened to public testimony regarding the North Dakota Department of Public Instruction's new money and 70% of new money for teacher compensation increases. The school district did not receive any foundation aid for the 2010-2011 school due to having an end of the year fund balance too high. This was due to our school district receiving approximately twenty-two million dollars in US Flood funds that were one-time oil lease payments on U.S. Corp of Engineer land. The U.S. Flood payments received helped compensate the school district for fifty years of lost revenue of property taxes (42,000 acres) from the construction of the Garrison Dam.

Due to our school district not receiving foundation aid for the 2010-2011 school year, the North Dakota Department of Public Instruction declared that the foundation aid payments for the 2011-2012 school year was "New Money". The current formula published on the North Dakota Department of Public Instruction website stated our school district would be receiving \$3,855,392 of new money. 70% of it or \$2,698,775 is required to be given to school district teachers in teacher compensation increases. If we were to provide \$2,698,775 to teacher salaries and benefits, this would leave the school district with having insufficient fiscal resources to meet the school district's obligations for future years. Based on 67 teachers, the school district would be required to provide an average of \$41,000 per teacher. Once it is negotiated in, it would be impossible to negotiate it out. There is no way that the district could sustain these types of raises after the second year of the biennium. This would cause us to lay off our entire high school, 35% of

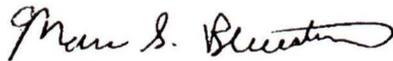
our special education staff, 50% of our vocational staff, and all of our varsity coaches and programming. We would have to consolidate with another school district to offer high school services. Even removing these expenditures from the district budget, it would not be enough. We estimated that the district would cut the following areas: \$1,056,520 School Budget for the High School; \$98,891 High School Guidance; \$157,416 High School Principal's Office; \$390,320 Special Education (35% of current budget); \$144,577 Vocational Instruction (50% of current budget); \$19,624 High School Summer School; and \$239,670 Activities Budget (75% of current budget). This is a total of \$2,107,018 in reductions. The district would still have to withstand the additional \$591,757 from the original 70% payments of this biennium.

If the high school is closed down or consolidated with an area school district, over 200 kids would have to be bused to Stanley, Mandaree, or Parshall. This is not in the best interests of our students. Our high school was founded in 1953 with its first graduating class in 1954. It would be a terrible blow to our community and children to not be able to offer a high school in their hometown.

Based on the district's presentation and the oral testimony, the board voted, by roll call, 5-0 to opt out of the 70% teacher compensation requirement as allowed under Part 4 of Section 39 of Senate Bill No. 2150. By providing \$2,698,775 (70%) for teacher compensation would leave the school district with having insufficient fiscal resources to meet the school district's obligations for future years.

Should you need additional information, please do not hesitate to contact to me.

Sincerely,



Marc S. Bluestone  
Superintendent

3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
  - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1. would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
  - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
  - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 40. EDUCATION FUNDING AND TAXATION COMMITTEE - CREATION - STUDY.**

1. The education funding and taxation committee consists of the following eight members:
  - a. The house majority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
  - b. The house minority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
  - c. The senate majority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
  - d. The senate minority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
  - e. The chairman of the house education committee, or the chairman's designee;
  - f. The chairman of the house finance and taxation committee, or the chairman's designee;
  - g. The chairman of the senate education committee, or the chairman's designee; and
  - h. The chairman of the senate finance and taxation committee, or the chairman's designee.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 41. ADULT EDUCATION - STUDY.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 42. ALTERNATIVE EDUCATION - MIDDLE SCHOOL - DATA COLLECTION - REPORT.**

SB 2150, SECTION 39. USE OF NEW - MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO LEGISLATIVE MANAGEMENT  
 Revised 5/5/2011

School Year	CoDist	Dname	ADM	wsu	State Formula Payment	Equity Payment	Supplemental Operations	REA Payments	Technology	Total	New Money	70% of New Money
2010	30-049	New Salem - Almont 49	305.41	372.78	1,201,175	-	54,750	3,909	1,955	1,250,061		
2011	30-049	New Salem - Almont 49	309.66	371.76	1,404,881	-		4,681	2,340	1,397,860		
2012	30-049	New Salem - Almont 49	301.78	371.95	1,454,325	-		4,720	7,080	1,442,525		
2013	30-049	New Salem - Almont 49	307.38	376.80	1,499,664	-		4,893	7,340	1,487,430	282,034	197,424
2010	31-001	New Town 1	682.94	753.92	2,877,916	-	122,428	8,742	4,371	2,987,232		
2011	31-001	New Town 1	727.18	807.87	-	-						
2012	31-001	New Town 1	745.54	850.85	4,385,119	1,058,296		11,660	17,490	3,297,673		
2013	31-001	New Town 1	783.88	898.53	4,882,550	1,306,401		12,479	18,719	3,544,951	3,855,392	2,698,775
2010	31-002	Stanley 2	402.16	444.77	1,423,264	-	72,094	5,148	2,574	1,487,636		
2011	31-002	Stanley 2	409.93	451.80	1,707,352	-		6,197	3,098	1,698,057		
2012	31-002	Stanley 2	469.36	524.18	2,049,544	-		7,341	11,011	2,031,192		
2013	31-002	Stanley 2	496.34	557.25	2,217,855	-		7,902	11,853	2,198,101	1,043,599	730,519
2010	31-003	Parshall 3	265.38	340.44	1,112,442	23,034	47,574	3,397	1,698	1,131,886		
2011	31-003	Parshall 3	277.16	349.78	1,312,637	-		4,190	2,095	1,306,353		
2012	31-003	Parshall 3	270.28	352.68	1,378,979	-		4,227	6,341	1,368,411		
2013	31-003	Parshall 3	284.87	364.89	1,451,466	-		4,535	6,803	1,440,128	370,300	259,210
2010	32-001	Dakota Prairie 1	287.28	348.43	1,064,323	-	47,914	3,421	1,711	1,107,105		
2011	32-001	Dakota Prairie 1	280.38	353.98	1,168,459	-		4,238	2,119	1,162,101		
2012	32-001	Dakota Prairie 1	250.66	330.13	962,511	-		3,920	5,880	952,710		
2013	32-001	Dakota Prairie 1	261.03	346.09	1,009,043	-		4,156	6,233	998,654	(317,843)	(222,490)
2010	32-066	Lakota 66	200.57	269.15	901,763	-	35,955	2,567	1,284	933,867		
2011	32-066	Lakota 66	198.65	264.65	1,000,112	-		2,973	1,486	995,654		
2012	32-066	Lakota 66	190.68	260.26	1,017,617	-		2,982	4,473	1,010,161		
2013	32-066	Lakota 66	194.17	266.45	1,060,471	-		3,091	4,637	1,052,743	133,383	93,368
2010	33-001	Center-Stanton 1	211.72	278.50	1,005,405	-	37,954	2,710	1,355	1,039,294		
2011	33-001	Center-Stanton 1	194.97	260.33	978,968	-		2,947	1,474	974,548		
2012	33-001	Center-Stanton 1	194.68	263.10	989,385	-		3,045	4,567	981,773		
2013	33-001	Center-Stanton 1	181.84	249.10	936,738	-		2,895	4,342	929,501	(102,567)	(71,797)
2010	34-006	Cavaller 6	414.16	464.70	1,540,866	-	74,245	5,301	2,651	1,607,159		
2011	34-006	Cavaller 6	379.33	435.12	1,644,318	-		5,734	2,867	1,635,718		
2012	34-006	Cavaller 6	413.4	473.05	1,849,628	-		6,466	9,698	1,833,462		
2013	34-006	Cavaller 6	410.35	472.17	1,879,237	-		6,533	9,799	1,862,905	453,490	317,443
2010	34-019	Drayton 19	122.52	164.80	422,073	-	21,964	1,568	784	441,684		
2011	34-019	Drayton 19	130.31	175.48	523,786	-		1,970	985	520,831		
2012	34-019	Drayton 19	142.14	194.20	576,780	-		2,223	3,335	571,223		
2013	34-019	Drayton 19	140.63	193.19	555,010	-		2,239	3,358	549,413	158,120	110,684
2010	34-043	St Thomas 43	75.56	105.69	350,664	-	13,545	987	484	362,758		
2011	34-043	St Thomas 43	76.69	106.01	366,380	-		1,159	580	364,641		
2012	34-043	St Thomas 43	83.44	116.96	408,830	-		1,305	1,958	405,567		
2013	34-043	St Thomas 43	83.64	117.86	412,512	-		1,332	1,997	409,183	87,351	61,148
2010	34-100	North Border 100	478.46	595.09	1,904,288	-	85,772	6,124	3,062	1,980,873		
2011	34-100	North Border 100	484.65	545.56	1,993,875	-		7,024	3,512	1,983,339		
2012	34-100	North Border 100	439.24	491.91	1,849,490	-		6,870	10,305	1,832,316		
2013	34-100	North Border 100	435.93	490.89	1,822,893	-		6,940	10,410	1,805,543	(326,354)	(228,448)

**NEW TOWN PUBLIC SCHOOL DISTRICT #1  
BOARD OF EDUCATION AGENDA  
THURSDAY, MAY 19, 2011  
LOCATION: NEW TOWN HIGH/MIDDLE SCHOOL  
CAFETERIA  
TIME: 5:00 PM**

1. Call to Order
2. Approval of Agenda
3. Presentation on ND Senate Bill 2150,  
Section 39 Use of New Money – Teacher  
Compensation Increases – Reports to the  
Legislation Management

4. Community Input

5. Board Motion to Approve or Reject

6. Adjournment

*Voted*

*S-O to*

*Approve to*

*opt out of*

*the 70%*

*teacher compensation*

*Requirements as  
allowed under Part 4  
of Section 39 of  
Senate Bill 2150.*

# Public notices

## Public notice of school hearing

New Town Public School District #1  
Public Hearing On The Use  
Of New Money For  
Teacher Compensation  
The New Town Public School District  
Board of Education will be conducting  
a public hearing on this matter. The  
hearing will be held at New Town High  
School-New Town Middle School caf-  
eteria on Thursday, May 19th @ 5 pm.

The purpose of this hearing will be  
to provide information regarding North  
Dakota Senate Bill 2150, Section 39  
Use of New Money - Teacher Com-  
pensation Increases - Reports to the  
Legislation Management. The current  
formula could leave the school district

with having insufficient fiscal resources  
to meet the school district's obligations  
for future years. This will impact how  
much financial compensation that the  
school district must provide to its teach-  
ing staff during the 2011-2012 and 2012-  
2013 school years.

(May 13, 2011)

## Howie Township meeting notice

The Howie Township Board of Supervi-  
sors will not meet on the regular monthly  
meeting date in May, but instead will meet  
on May 24, 2011 at 9:05 p.m. immedi-  
ately following the Whiting Pipeyard Public  
Hearing, at the home of the chairman,  
Adrian Belstad.

(May 13, 2011)

## New Town Pu Summ Jun

The New Town Public School Di  
Service Program. The Summer Fo  
Department of Agriculture (USDA).  
Free meals will be made available  
summer program. Adults may eat 1

The program will begin on Wedn  
plan to run the breakfast and lunch  
will be served from 8 am to 9 am a

As in previous years, a bus will  
Village for the Summer Food Serv  
who are enrolled in summer schoo  
school will be held from June 1-29

The bus will be stopping at Dre  
breakfast at 7:50 am and Bakersfi  
ning to attend summer school, he  
school students who ride the bus

# Insurance Notices

P-39942

**ABSTRACT OF STATEMENT  
FOR THE YEAR ENDING  
DECEMBER 31, 2010**  
of the

American National General Insurance Company In the State of Missouri	
Total Assets	115,577,766
Total Liabilities	53,795,767
Aggregate write-ins for special surplus funds	0
Common Capital Stock	2,500,000
Preferred Capital Stock	0
Aggregate write-ins for other than special surplus	0
Surplus Notes	0
Gross paid in and contributed surplus	12,500,000
Unassigned funds (surplus)	46,781,999
Less treasury stock, at cost	
# shares common	0
# shares preferred	0
Surplus as regards policyholders	61,781,999
Total Liabilities, Capital and Surplus	115,577,766
<b>NORTH DAKOTA BUSINESS ONLY FOR THE YEAR 2010</b>	
Total Direct Premiums Earned	75,811
Total Direct Losses	

P-28401

**ABSTRACT OF STATEMENT  
FOR THE YEAR ENDING  
DECEMBER 31, 2010**  
of the

American National Property and Casualty Company In the State of Missouri	
Total Assets	1,068,882,523
Total Liabilities	686,504,364
Aggregate write-ins for special surplus funds	0
Common Capital Stock	4,200,000
Preferred Capital Stock	0
Aggregate write-ins for other than special surplus	0
Surplus Notes	36,968,750
Gross paid in and contributed surplus	118,507,864
Unassigned funds (surplus)	222,701,545
Less treasury stock, at cost	
# shares common	0
# shares preferred	0
Surplus as regards policyholders	382,378,159
Total Liabilities, Capital and Surplus	1,068,882,523
<b>NORTH DAKOTA BUSINESS ONLY FOR THE YEAR 2010</b>	
Total Direct Premiums Earned	978,474
Total Direct Losses	

P-19615

**ABSTRACT OF STATEMENT  
FOR THE YEAR ENDING  
DECEMBER 31, 2010**  
of the

American Reliable Insurance Company In the State of Arizona	
Total Assets	303,152,194
Total Liabilities	202,564,178
Aggregate write-ins for special surplus funds	943,629
Common Capital Stock	4,200,000
Preferred Capital Stock	0
Aggregate write-ins for other than special surplus	0
Surplus Notes	0
Gross paid in and contributed surplus	122,509,145
Unassigned funds (surplus)	-27,064,758
Less treasury stock, at cost	
# shares common	0
# shares preferred	0
Surplus as regards policyholders	100,588,016
Total Liabilities, Capital and Surplus	303,152,194
<b>NORTH DAKOTA BUSINESS ONLY FOR THE YEAR 2010</b>	
Total Direct Premiums Earned	712,869
Total Direct Losses Incurred	423,923
Total Accident and Health Direct	

## **NEWS RELEASE**

### **NEW TOWN PUBLIC SCHOOL DISTRICT #1 PUBLIC HEARING ON THE USE OF NEW MONEY FOR TEACHER COMPENSATION**

The New Town Public School District Board of Education will be conducting a public hearing on this matter. The hearing will be held at New Town High School-New Town Middle School cafeteria on Thursday, May 19<sup>th</sup> @ 5 pm.

The purpose of this hearing will be to provide information regarding North Dakota Senate Bill 2150, Section 39 Use of New Money – Teacher Compensation Increases – Reports to the Legislation Management. The current formula could leave the school district with having insufficient fiscal resources to meet the school district's obligations for future years. This will impact how much financial compensation that the school district must provide to its teaching staff during the 2011-2012 and 2012-2013 school years.