

Education Funding Committee

August 1, 2014
Harvest Room, State Capitol
Bismarck, North Dakota

Presentation by Jerry Coleman
Director of School Finance
Department of Public Instruction

School District Funding Information



*DEPARTMENT OF PUBLIC INSTRUCTION
Kirsten Baesler, State Superintendent
600 East Boulevard Avenue Dept. 201
Bismarck, North Dakota 58505-0440*

ND K-12 Statistical History

Values	SchoolYear									
	1985	1990	1995	2000	2005	2010	2011	2012	2013	
K Enrollment	10,060	9,540	8,591	7,144	6,578	7,446	8,236	8,575	8,822	
1-6 Enrollment	55,304	56,712	53,578	47,288	42,126	42,380	43,161	45,804	47,669	
7-8 Enrollment	17,763	17,886	19,629	17,099	15,864	14,662	14,740	14,750	14,920	
9-12 Enrollment	34,868	32,813	36,767	36,563	32,552	30,241	29,641	30,063	30,245	
Total K-12 Enrollment	117,995	116,951	118,565	108,094	97,120	94,729	95,778	99,192	101,656	
PK-12 Average Daily Membership	118,089	118,086	120,440	113,541	102,442	95,507	96,987	98,734	101,852	
Taxable Valuation	980,108,754	953,186,152	1,033,796,645	1,297,625,450	1,640,262,995	2,289,056,928	2,425,242,205	2,770,953,672	3,211,546,540	
Tax Value Per Enr Student	8,306	8,150	8,719	12,005	16,889	24,164	25,321	27,935	31,592	
General Fund Levy	83	157	190	190	195	117	115	110	73	
Total Levy	134	178	215	218	223	142	142	136	96	
Local Revenue	131,844,519	171,287,465	219,938,170	290,852,105	357,762,422	320,103,631	328,747,470	338,409,002	360,944,186	
County Revenue	10,276,625	7,738,155	6,688,209	8,385,633	11,879,607	18,702,824	19,211,010	22,393,601	22,916,937	
State Revenue	207,103,807	206,079,872	244,200,928	294,723,948	335,692,702	543,894,534	619,328,628	645,459,985	683,002,832	
Federal Revenue	27,326,469	35,743,089	55,086,311	80,210,981	116,450,652	237,943,277	151,993,630	135,307,358	125,445,311	
Other Revenue	2,499,509	14,547,246	5,161,923	5,530,335	7,421,068	8,918,894	10,999,435	9,597,225	12,421,232	
Total Revenue	379,050,929	435,395,827	531,075,541	679,703,003	829,206,450	1,129,563,159	1,130,280,172	1,151,167,172	1,204,730,498	
Salary and Benefits Teachers			282,353,364	346,442,201	426,362,218	528,460,823	562,292,523	586,164,727	623,286,079	
Salaries and Benefits Support			18,683,174	30,203,400	39,839,923	53,130,752	57,688,537	63,647,146	70,139,332	
Other Instructional Costs			35,487,146	49,350,474	59,565,722	85,498,905	83,675,416	79,682,431	73,731,104	
School Administration			24,832,551	31,399,874	38,639,476	48,622,939	52,085,236	55,549,170	59,938,702	
General Administration			34,255,994	43,336,328	52,873,840	67,988,403	72,252,831	72,522,073	82,095,422	
Operation and Maint. of Plant			48,130,295	58,509,445	71,786,826	107,168,997	110,579,804	106,413,805	117,342,113	
Instructional Expenditures	323,110,029	381,754,753	443,742,524	559,241,723	689,068,005	890,870,819	938,574,347	963,979,351	1,026,532,752	
Student Transportation			25,561,473	28,974,079	34,113,162	46,946,136	47,706,364	53,552,434	56,038,569	
Capital Projects			2,701,004	3,256,395	9,838,403	35,376,260	28,982,468	16,837,511	18,144,668	
Extracurricular			10,330,772	14,526,349	19,734,585	23,762,799	25,126,106	26,406,257	26,077,977	
All Other Expenditures			44,999,087	60,364,826	70,923,885	77,164,763	91,372,887	82,559,369	89,542,297	
General Fund Expenditures	379,647,548	449,216,615	527,334,861	666,363,372	823,678,041	1,074,120,777	1,131,762,173	1,143,334,923	1,216,336,262	
Gen Fund Ending Balance	108,921,087	94,066,388	97,611,970	149,322,288	168,281,374	281,248,544	279,486,294	290,404,090	278,590,960	
District Count	312	280	243	231	206	184	183	181	180	
Cost of Ed Per Student	2,736	3,233	3,684	4,925	6,726	9,328	9,677	9,763	10,079	

ND Public School Districts
Ending Fund Balance History

School Year	General Fund Expenditures	General Fund Ending Balance Percent	General Fund Ending Fund Balance	Special Reserve Ending Fund Balance	Building Ending Fund Balance	Debt Service Ending Fund Balance	Food Service Ending Fund Balance	Student Activities Ending Fund Balance	Trust and Agency Ending Fund Balance
2013	1,216,336,262	23%	278,590,960	12,114,875	89,501,431	27,408,850	9,406,176	13,870,698	4,660,131
2012	1,143,334,923	25%	290,404,090	12,775,531	142,409,135	18,575,577	10,119,666	12,790,214	4,456,776
2011	1,131,772,373	25%	279,486,294	11,807,480	111,370,785	13,758,996	9,057,022	11,687,629	4,602,674
2010	1,081,065,978	26%	280,608,111	10,955,607	63,790,197	30,261,839	8,661,757	10,580,702	4,471,339
2009	972,385,304	23%	226,385,266	10,443,418	81,426,083	14,489,200	6,706,965	10,343,835	7,283,360
2008	929,838,740	22%	207,353,322	10,782,423	100,150,265	11,506,729	6,399,344	9,573,830	7,469,365
2007	876,469,553	22%	194,850,385	10,678,432	52,430,583	10,810,322	6,914,596	9,634,783	5,949,274
2006	852,907,621	21%	178,058,411	10,199,923	76,568,551	8,894,295	5,726,891	9,087,868	5,478,546
2005	823,678,040	20%	168,281,374	10,066,082	77,025,689	9,495,016	5,392,159	8,765,304	6,132,268
2004	790,333,132	21%	163,582,059	10,450,811	74,191,453	9,547,924	5,175,445	8,879,191	4,433,667
2003	765,136,183	21%	160,264,150	10,212,756	84,253,124	8,251,292	5,194,703	8,725,724	4,074,214
2002	716,300,973	22%	155,268,847	9,832,980	80,662,390	9,507,775	5,032,370	8,448,168	4,236,960
2001	702,468,197	21%	144,774,543	9,397,825	24,629,461	7,978,137	5,182,755	7,820,660	4,324,485
2000	666,363,372	22%	149,322,288	8,924,972	31,821,991	13,878,360	4,732,930	7,464,948	4,726,288
1999	637,818,019	22%	137,952,872	9,169,338	39,390,633	13,752,608	4,434,096	7,127,597	5,017,808
1998	606,353,476	21%	124,511,354	9,064,422	35,785,124	25,733,295	4,089,955	6,841,038	4,743,543
1997	579,434,912	19%	109,064,626	8,976,787	24,649,498	12,306,360	2,868,570	5,937,229	4,309,630
1996	550,448,202	19%	103,533,589	8,980,870	27,029,087	7,019,515	3,071,402	5,752,169	5,312,836

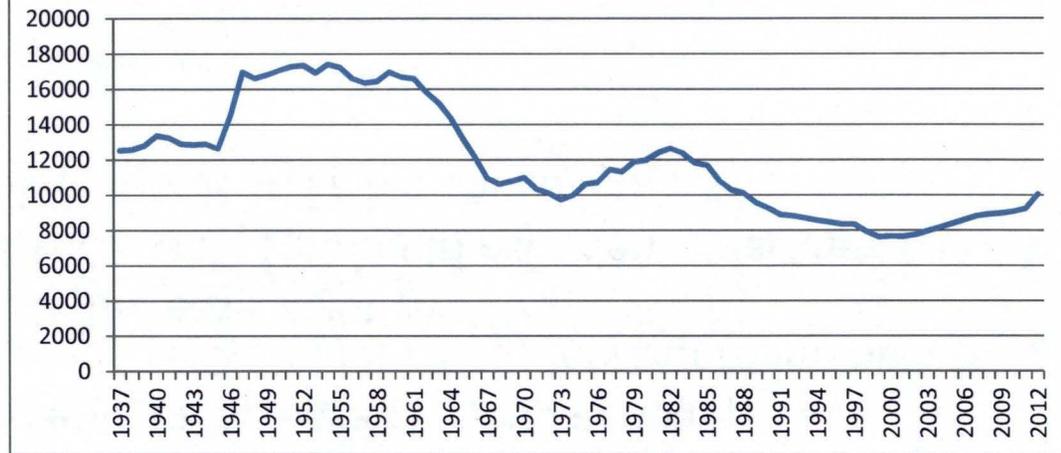
ND Population Historical Overview

1930	680,845
1940	641,935
1950	619,636
1960	632,446
1970	617,761
1980	652,717
1990	638,800
2000	642,200
2010	672,591
2013 (est.)	723,393

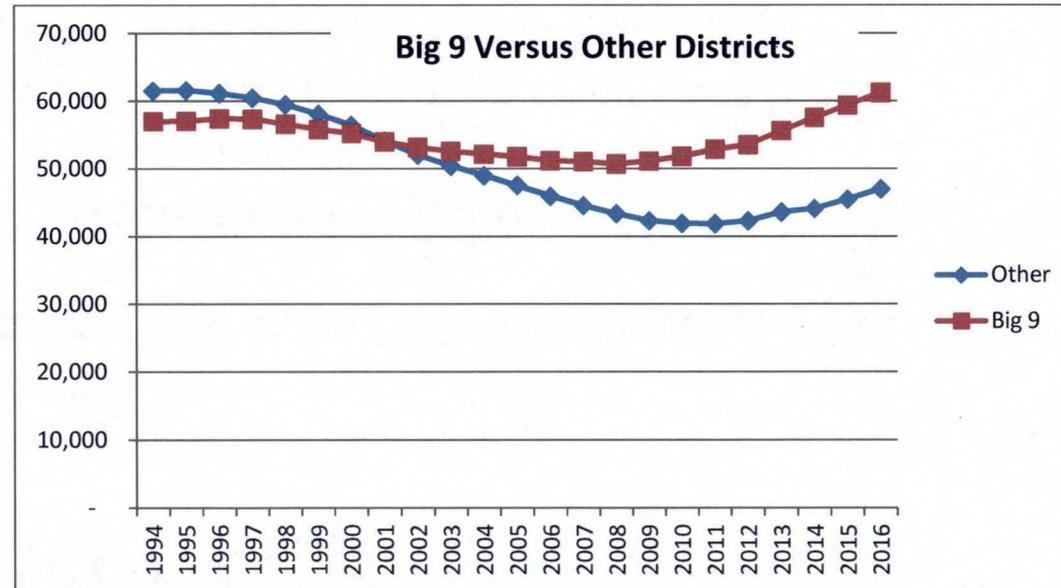
North Dakota Public K-12 Enrollment

Sum of DENK12 School Year	Column Labels		Grand Total
	Other	Big 9	
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	45,476	59,352	104,827
2016	47,005	61,223	108,228

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).

Observations

- ND Demographics are changing.
- Enrollment in public schools declined by 25,000 students over a 15 year period ending 2010.
- School Districts declined by 70 over the same period.
- Teachers did not experience the same decline.
- Births reached a record low in 2001 and have been rising since then.
- Grades K-2 average 8,600, Grades 3-12 average 7,600.
- Statewide projections show moderate enrollment increases over the next decade. We expect enrollments to increase by 3,500 annually.
- 60% of ND students are served in ND's major cities where enrollments are expected to remain steady or increase slightly.
- Many small rural school districts will continue to experience declines.
- Impact from rapid oil development is still a big unknown.

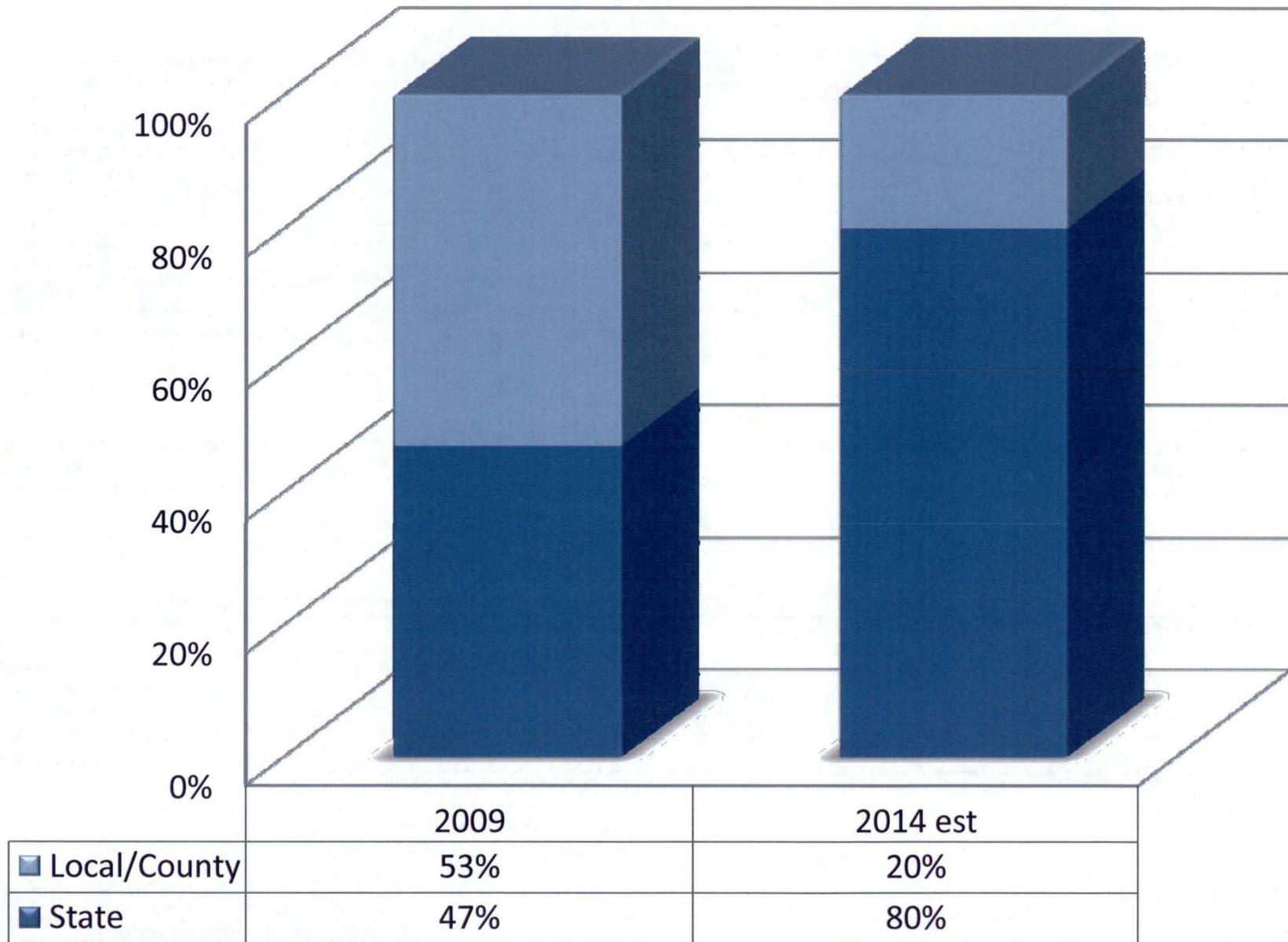
Foundation Aid Formula

- K-12 Education Equity and Adequacy
- Permanent Property Tax Relief
- Main principle – every student in elementary and secondary education in North Dakota should have a base of financial support that is adequate to allow the district to provide a quality education, regardless of where the student lives or how much taxable valuation is available to the local school district.
- Per student rates: \$8,810 and \$9,092

Property Tax Component

- Ends the mill levy buy down program yet provides an additional 50 mills of property tax relief on top of the 75 mills currently provided.
- Severs the relationship with property valuation changes.
- Provides a base level of funding necessary to educate students to state standards from a combination of state and local taxes.

Shift in State and Local General Fund Resources





Statewide Statistical Summary

North Dakota Department of Public Instruction
Office of School Finance
Weighted ADM Projection

	----- Projected @ June, 2014 -----			----- Budgeted -----		
	2013-14 Actual	2014-15 Projected	Biennium Projected	2015-16 Budget	2016-17 Budget	Biennium Budget
Student Membership						
1 Pk Special Education	910.18	910.18	1,820.36	910.18	910.18	1,820.36
2 Kindergarten	8,622.35	8,918.00	17,540.35	9,087.89	9,183.71	18,271.60
3 Grade 1-6	46,063.37	48,073.00	94,136.37	50,497.44	52,831.43	103,328.87
4 Grade 7-8	14,814.68	14,998.00	29,812.68	15,551.29	16,115.61	31,666.90
5 Grade 9-12	28,869.03	29,506.08	58,375.11	29,563.91	29,993.91	59,557.82
6 Alternative High School	796.92	796.92	1,593.84	796.92	796.92	1,593.84
7 Total Average Daily Membership (ADM)	100,076.53	103,202.18	203,278.71	106,407.63	109,831.76	216,239.39
Other Program Membership						
8 Alt High School	199.26	199.26	398.52	199.26	199.26	398.52
9 Special Ed ADM	8,206.30	8,462.63	16,668.93	8,725.44	9,006.25	17,731.69
10 PK Special Ed ADM	154.75	154.75	309.50	154.75	154.75	309.50
11 Data Collection	292.68	301.82	594.50	311.06	321.03	632.09
12 Regional Education Association	194.29	199.92	394.21	205.86	212.30	418.16
13 ELL Level 1	54.32	51.96	106.28	51.96	51.96	103.92
14 ELL Level 2	63.24	63.68	126.92	63.68	63.68	127.36
15 ELL Level 3	53.44	54.68	108.12	54.68	54.68	109.36
16 At Risk	893.75	919.42	1,813.17	946.29	975.32	1,921.61
17 Home-Education (district supervised)	11.90	11.90	23.80	11.90	11.90	23.80
18 Cross Border Attendance (MN, MT)	20.37	19.22	39.59	19.22	19.22	38.44
19 Alternative Middle School	2.67	0.79	3.46	0.79	0.79	
Summer Programs						
20 - Summer School	1,171.07	1,169.20	2,340.27	1,169.20	1,169.20	2,338.40
21 - Migrant Summer	32.74	32.74	65.48	32.74	32.74	65.48
22 - Special Ed ESY	34.99	34.99	69.98	34.99	34.99	69.98
Isolated Schools						
23 >275 sq miles and < 100 ADM	89.93	95.46	185.39	118.70	113.71	232.41
24 >600 sq miles and < 50 ADM	-	-	-	-	-	-
25 Total Weighted Average Daily Membership	111,552.23	114,974.60	226,526.83	118,508.15	122,253.54	240,760.11
26 School District Size Adjustment Factor	5,429.34	5,377.20	10,806.54	5,311.75	5,203.52	10,515.27
27 Total Weighted Student Units	116,981.57	120,351.80	237,333.37	123,819.90	127,457.06	251,275.38
						13,942.01