

# Taxation Committee

Tuesday, September 16, 2014  
Roughrider Room, State Capitol Building  
Bismarck, North Dakota

Anticipated Costs for 2015-17 K-12 Education Funding



ND Department of Public Instruction

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# K-12 School Funding Formula

## *Part One: Calculate Base Funding Amount*

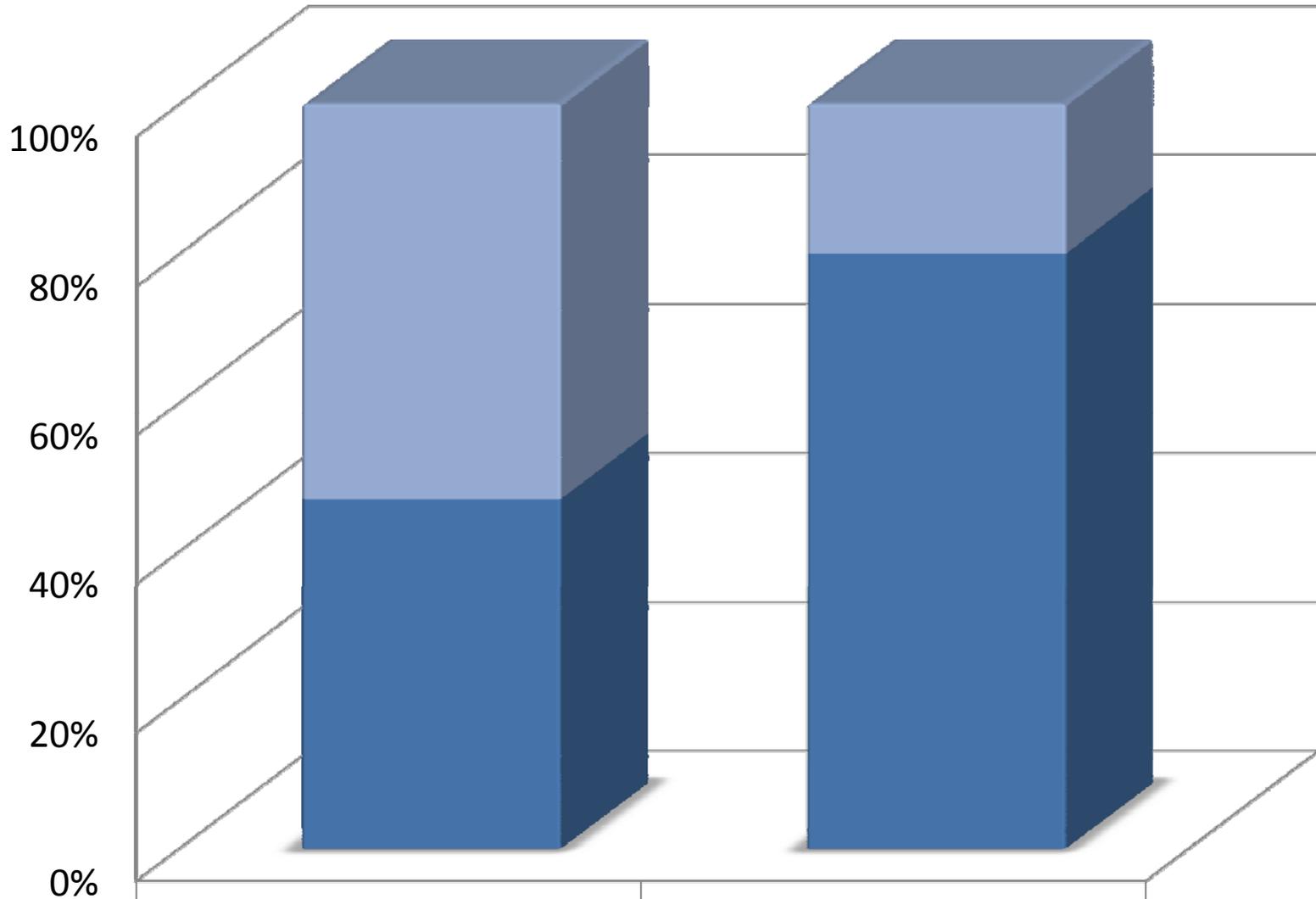
Example

	Student Membership (ADM)	300
+	Other Program Weighted ADM	30
	<hr/>	<hr/>
=	Weighted ADM	330
x	School District Size Factor	1.13
	<hr/>	<hr/>
=	Weighted Student Units	373
x	Per Student Rate	9,092
	<hr/>	<hr/>
=	Total Formula Amount	3,391,316
+/-	Transition Adjustments	-
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=	Total Adjusted Formula Amount	3,391,316

## *Part Two: Determine State Aid Payment*

Local Share	60 mills times taxable valuation	600,000
	75%-100% of other local in-lieu revenue	60,000
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State Share	Difference is State Aid Payment	2,731,316

## Shift in State and Local General Fund Sources



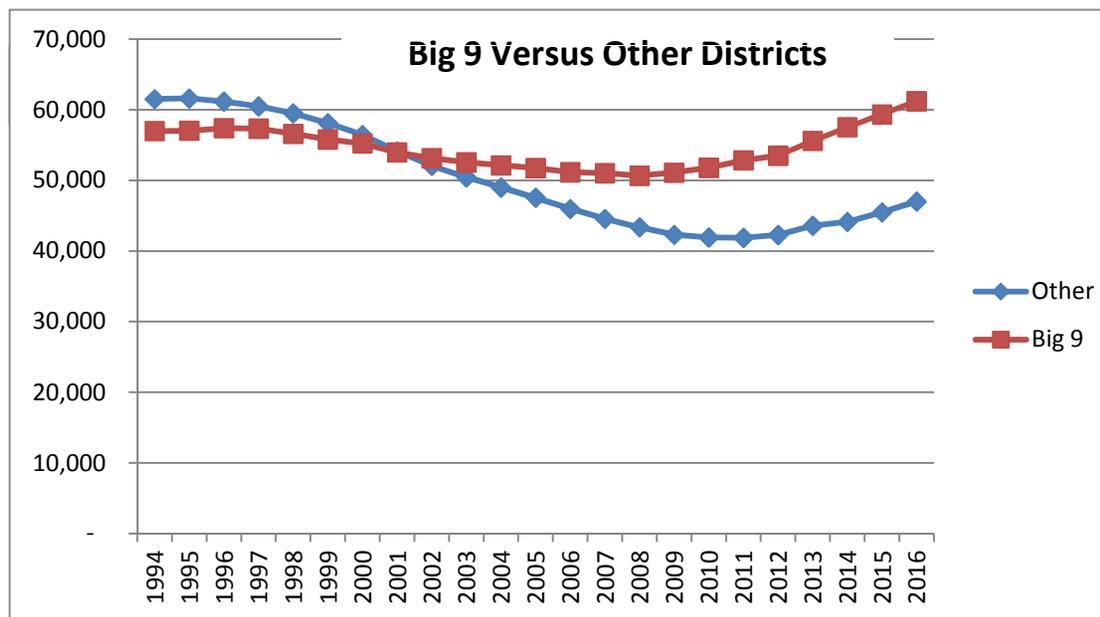
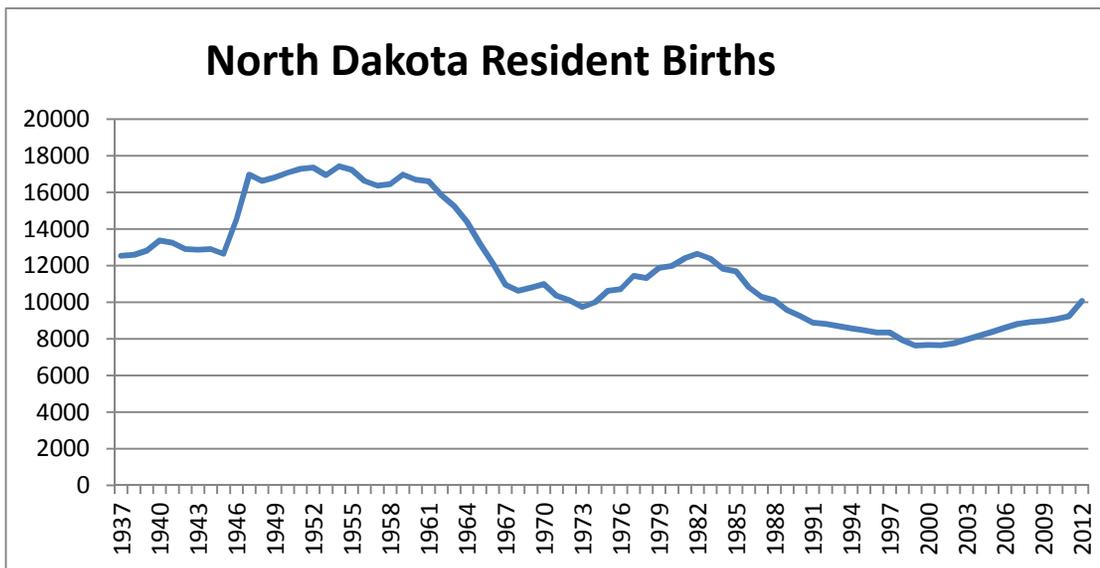
Local/County	53%	20%
State	47%	80%

# 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
<b>2013 (est.)</b>	<b>723,393</b>

## North Dakota Public K-12 Enrollment

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



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.



# 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
<b>Student Membership</b>						
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
<b>Other Program Membership</b>						
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

Initial Budget Projections (for discussion purposes only)

	2013-15 Estimate	2015-17 Projection	Change	Percent
Total Formula Amount	2,124,740,639	2,396,001,600	271,260,961	13%
Transition Maximum Amount	(35,427,661)	(27,727,163)	7,700,498	-22%
Transition Minimum Amount	84,699,969	82,891,489	(1,808,480)	-2%
Adjusted Formula Amount	2,174,012,947	2,451,165,926	277,152,979	13%
Contribution from Property Tax	(348,801,377)	(416,522,932)	(67,721,555)	19%
Contribution from In-Lieu of Property Tax	(101,108,312)	(108,949,853)	(7,841,541)	8%
Ending Fund Balance Offset	(942,858)	-	942,858	-100%
State Aid Payment	1,723,160,400	1,925,693,141	202,532,741	12%

Assumptions

Students will increase 3% annually.

Base payment rate will increase 3% annually

Taxable valuation will continue to increase 16% annually