

**Department of Public Instruction
Budget 201
Senate Bill Nos. 2013, 2162**

	FTE Positions	General Fund	Other Funds	Total
1999-2001 legislative appropriation	131.95	\$547,053,909	\$204,269,173	\$751,323,082
1997-99 legislative appropriation	<u>135.45</u>	<u>524,912,752</u>	<u>187,229,971</u>	<u>712,142,723</u>
1999-2001 appropriation increase (decrease) to 1997-99 appropriation	(3.50)	\$22,141,157	\$17,039,202	\$39,180,359

NOTE: The 1999-2001 appropriation amounts include \$191,664, of which \$67,082 is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$7,902, of which \$1,182 is from the general fund, for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing \$35 per month minimum salary increases in July 1999 and July 2000.

Item Description

Foundation aid status - The 1999 Legislative Assembly appropriated \$479 million for foundation aid per student and transportation payments for the 1999-2001 biennium. The appropriation amount is based on the distribution of per student payments of \$2,145 to 119,430 weighted student units the first year of the biennium and \$2,230 to 117,718 weighted student units the second year.

National board certification - The 1999 Legislative Assembly provided a general fund appropriation of \$20,000 for the department's national board certification program. Section 4 of 1999 Senate Bill No. 2013 provides that the department must distribute the \$20,000 appropriation to the Education Standards and Practices Board, which will use it to pay one-half of the application fee required to be remitted to the National Board for Professional Teaching Standards for each applicant from this state taking the national board examination.

Status/Result

Due to declining enrollment, the number of weighted student units is currently estimated to be 118,830 the first year of the biennium and 117,718 the second year. Consequently, weighted student units are currently estimated to be 600 students less than originally estimated for the 1999-2001 biennium.

Primarily as a result of the reduced number of students, the foundation aid formula is anticipated to result in an end of biennium undistributed foundation aid balance of approximately \$1.2 million. However, 1999 Senate Bill Nos. 2162 and 2441 provide that if any of the funds appropriated for foundation aid remain unspent after all statutory obligations have been met, the remaining funds shall be distributed as supplemental payments to districts on the basis of average daily membership, to districts with declining enrollment, or to districts that qualify for reorganization bonuses.

The appropriation was anticipated to provide one-half of the \$2,000 application fee for 20 teacher applicants during the biennium. For fiscal year 2000, six teachers applied for certification, of which four received national board certification. Teachers have until November 30, 2000, to apply for fiscal year 2001 certification. The application fee will increase from \$2,000 to \$2,700 per applicant for fiscal year 2001, increasing the amount paid by the Education Standards and Practices Board from \$1,000 to \$1,350 per applicant.

Technology grants - The 1999 Legislative Assembly appropriated \$6 million from the general fund for technology and teacher professional development grants to schools. Section 6 of 1999 Senate Bill No. 2013 provides that the maximum amount a district is eligible to receive is a proportionate share of the \$6 million based on the number of students in the district compared to the number of students in the state. The minimum grant amount is \$5,000. A district is not eligible to receive a grant unless the administrative office of the district is connected to the Internet.

Position transfers - Section 23 of 1999 Senate Bill No. 2013 provides that if, during the 1999-2001 biennium, the department transfers any FTE positions to the Division of Independent Study from other divisions of the department, the transfers must be reported to the Budget Section.

Red River Valley writing project - Section 13 of 1999 Senate Bill No. 2013 provides that the Department of Public Instruction must use \$10,000 of the amount appropriated to the department for operating expenses to support the Red River Valley writing project.

Leadership in educational administration development (LEAD) consortium and teacher center network cooperative programs - Section 14 of 1999 Senate Bill No. 2013 provides that the "other grants" line item in Section 1 of the bill includes \$200,000 for grants to the LEAD consortium and \$210,000 for grants to teacher centers. Section 15 of the bill provides legislative intent that to the extent possible, the LEAD consortium and the teacher centers work cooperatively to improve the development and delivery of programs and services to education administrators and teachers.

Electronic access to department publications - Section 16 of 1999 Senate Bill No. 2013 provides legislative intent that:

- By July 1, 2000, the department shall, to the extent possible, provide electronic access to all publications and other documents produced by the department for distribution to school districts.
- The department shall reduce the number of publications and documents printed and distributed by mail.
- By July 1, 2001, school districts shall, to the extent possible, electronically prepare and transfer all reports and information required to be submitted to the department.

Through March 31, 2000, the department distributed \$3,859,426 to 106 school districts. The department anticipates that the entire appropriated amount will be distributed during the biennium.

As of March 31, 2000, no employee positions have been transferred to the Division of Independent Study from other divisions of the department.

A federal grant for the project was awarded to the University of North Dakota (UND) English department in February 2000. One-half of the appropriated amount (\$5,000) was used to meet a portion of the matching requirement for the grant. The grant will be used for a summer program to provide training for teachers in effective writing instruction. The UND English department anticipates applying for an additional grant to continue the program in the summer of 2001. If approved, the balance of the appropriation will be used to provide a portion of the required match for that grant.

The teacher centers and the LEAD consortium have developed cooperative programs in peer coaching and mentoring. As of March 31, 2000, a total of 98 teachers have participated in the cooperative programs.

The department has placed the majority of its forms and publications on its web site to provide access to school districts and the public. As a result, several major publications were not printed, including *School Finance Facts*, *School District Profile*, and the *North Dakota Administrative and Instructional Personnel in Public Schools* manual.

The department has developed an on-line reporting system for collecting data used in calculating foundation aid payments and data used in the school accreditation process. The department plans to expand the system to accept additional data from school districts.

Supplemental payments - The 1999 Legislative Assembly provided a general fund appropriation of \$3.1 million to the Department of Public Instruction for supplemental payments to school districts pursuant to North Dakota Century Code (NDCC) Section 15-40.1-07.8. This section provides a formula for the distribution of supplemental payments to districts that qualify. In order to qualify for supplemental payments, a district must be below the statewide average taxable valuation per student and below the statewide average educational expenditures per student.

National assessment of educational progress (NAEP) testing - Section 19 of 1999 Senate Bill No. 2013 directs the Department of Public Instruction to participate in the national assessment of educational progress testing program during the 1999-2001 biennium. The Legislative Assembly appropriated \$100,000 to the department for costs associated with the testing.

Payments for limited English proficient students - The 1999 Legislative Assembly provided a \$400,000 general fund appropriation, \$100,000 more than the 1997-99 biennium appropriation, for payments to schools educating students with limited English proficiency. Senate Bill No. 2381 (1999) amends NDCC Section 15-40.1-07.7 to increase from \$300 to \$400, the payment amount per limited English proficient student.

The formula provided in NDCC Section 15-40.1-07.8 calculates a specific payment amount to each district that qualifies and does not provide a mechanism to distribute any appropriated funds remaining unspent after the formula distributions. If a district does not meet the two eligibility criteria (below the state average in taxable valuation per student and below the state average in educational expenditures per student), that district does not receive any supplemental payment. In the previous three fiscal years, the Grand Forks district qualified for payments of \$336,000 to \$412,000 per year. However, due to educational expenditures for students in excess of the state average, the Grand Forks district was not among the 36 school districts that qualified for 2000-01 school year payments, contributing to an estimated undistributed balance in the supplemental payment appropriation of approximately \$400,000.

The department is participating in fiscal year 2000 national assessment of educational progress testing. A random sample of 10,835 North Dakota students in grades 4 and 8 took either the mathematics or science assessment test. The national assessment of educational progress testing is administered every other year and consequently will not be scheduled again until 2002.

On May 1, 2000, the department paid a total of \$213,884 to 16 school districts for educating 534.71 limited English proficient students during the 1999-2000 school year.