

Overview of revenue earned:

21-22 Tuition Costs	Enrollments, 7/1/21 to 6/30/23	Projected Tuition Earned for 21-23 (i.e., spending authority needed in 21-23 to cover adjuncts)
\$159 (Small organized schools)-\$189 (In-state large schools and homeschoolers) \$285 (Out-of-state students)	Projected: 19,153 (in-state); 1977 (out-of-state) = 21,130	Total (projected): \$4,126,774 (earned \$3,806,774 from 7/1/21 to 2/28/23; we estimate collecting \$320,000 between 3/1 to 6/30/23) Projected budget shortfall for 21-23: \$373,226

Projected revenue with tuition increase:

23-25 Proposed Tuition Costs	Project Enrollments, 7/1/23 to 6/30/25	Projected Tuition Earned for 23-25 (i.e., spending authority needed in 23-25 to cover adjuncts)
\$215 (Small organized schools)-\$235 (In-state large schools and homeschoolers); average= \$225* \$375 (Out-of-state students) *CDE will seek input from NDSOS and must receive approval under NDCC Ch. 15-19 before this change can take effect	Projected: 17,000 (in-state); 1750 (out-of-state) = 18,750* (11.3% decrease) *Enrollments are projected to decline slightly due to post-pandemic enrollment decline	Total (projected): \$4,481,250*, ** *CDE brings in additional revenue through LMS rental services to NDDTSEA and other entities, which will account for \$35,000 to \$40,000 **While CDE will need fewer adjuncts if enrollments decline as projected, CDE is proposing an increase in adjuncts' hourly rate

Tuition revenue (i.e., CDE's special spending authority) is used to pay adjunct teachers (variable cost). All general fund dollars are used to pay fixed operational costs. CDE asks for **no reduction in general funds** as these are needed to continue to sustain operations. CDE has been asked this session to take on more responsibilities, with only an **8.4% increase in general funds to cover three additional FTEs** to support these new demands.

Bills impacting NDCDE's scope of work:

- HB 1132
- HB 1156
- HB 1376 (fiscal and enrollment impact on CDE is unknown)
- HB 1398 (\$600K in ESSER funds earmarked to assist CDE with implementation; CDE will need its spending authority expanded beyond its original ask of \$4.5m to \$5.1m to include this federal allocation from DPI)

23-25 FISCAL REQUEST

Line-Item Request and Comparison Summary

Description	2021-23 Budgeted	2023-25 CDE Requested	% Increase or Decrease	2023-25 Executive Recommended
Salaries	\$6,411,254.00	\$8,454,024.00	31.9%	\$8,650,231
Permanent	3,384,679	4,130,266	22%	4,221,928
Temporary	1,108,396	2,235,960	101.7%	2,235,960
Fringe Benefits	1,918,179	2,087,798	8.8%	2,192,343
Operating Expenses	\$3,050,000.00	\$3,050,000.00		\$3,050,000.00
Travel	23,617	23,617	0%	23,617
Supplies - IT Software	193,923	193,923	0%	193,923
Supply/Material - Professional	2,624	2,624	0%	2,624
Food and Clothing	48	48	0%	48
Building, Grounds, Vehicle Supply	2,096	2,096	0%	2,096
Miscellaneous Supplies	128	128	0%	128
Office Supplies	1,573,856	1,573,856	0%	1,573,856
Postage	3,991	3,991	0%	3,991
Printing	1,423	1,423	0%	1,423
IT Equipment under \$5,000	126,643	126,643	0%	126,643
Office Equip & Furniture-	4,509	4,509	0%	4,509
Utilities	50,526	50,526	0%	50,526
Insurance	5,231	5,231	0%	5,231
Rentals/Leases-Equipment & Other	4,894	4,894	0%	4,894
Rentals/Leases - Bldg/Land	378,139	378,139	0%	378,139
Repairs	41,492	41,492	0%	41,492
IT - Data Processing	44,193	44,193	0%	44,193
Communications	86,819	86,819	0%	86,819
IT Contractual Services	24,391	24,391	0%	24,391
Professional Development	31,357	31,357	0%	31,357
Operating Fees and Services	53,578	53,578	0%	53,578
Professional Fees and Services	396,522	396,522	0%	396,522
Total	\$9,461,254.00	\$11,504,024.00		\$11,700,231.00

Sources of revenue

General Fund	\$6,461,254.00	\$7,004,024.00	8.4%	\$7,200,231.00
Special Spending Authority (Raised through Tuition Paid by Local Schools and Students)	\$3,00,000.00; Emergency Commission approved an additional \$1.5m	\$4,500,000.00	0%	\$4,500,000.00

FTE REQUEST, 23-25

Position	Justification	Cost (rounded to the nearest 1,000)
1. Elementary teacher	In 2020, CDE began offering a full K-5 program in response to the pandemic. While enrollments have decreased as students have returned to bricks and mortar school, in Fall 2022, CDE had over 160 enrollments in the elementary program and projects this same number this spring. Our average full-time teacher is assigned 300 enrollments per year, with this workload reduced when the teacher has curricular review responsibilities. CDE hired a full-time temporary teacher who has served as the primary instructor for the K-5 program, built the curriculum, evaluated it, and refined it. We are requesting that this position be moved from a temporary to a regular position.	\$165,000 (salary and benefits)
2. Part-time high school teacher, part-time teacher mentor	While CDE relies heavily on adjuncts to support our enrollments, CDE has confirmed through its research that student outcomes are improved when a permanent CDE teacher instructs a course. CDE projects that its enrollments will remain 20% higher than prior to the pandemic. This position will be used to help support our enrollment growth and increase the quality of our delivery. This position will teach part-time and oversee teacher professional development as CDE moves to standards-based learning. This method requires extensive professional development for a teacher to initially understand it, then implement it, and finally use it to guide growth. CDE will seek a teacher mentor well-versed in standards-based learning to help our teachers navigate through this transition.	\$192,000 (salary and benefits)
3. Split the technology director position into two FTEs	CDE's technology director is retiring after 29 years. The director oversees all CDE <u>technology infrastructure</u> and three FTEs. The director also managed the development of our business and enrollment system, helping spearhead an effort to ensure all our systems were well-integrated enough for students to receive access to our courses within no more than 24 hours of enrolling and allowing schools/families to pay for these courses on demand. Managing these systems alone requires an FTE. The remaining technology director duties, which include budget management, staff oversight, IT procurement, short and long-term planning on the software and systems needed to sustain quality services, systems integration, network management, and cybersecurity oversight, also constitute another full FTE position.	New technology staff FTE (director salary already included in the CDE budget): \$156,000 (salary and benefits)
Recruiting and onboarding 3 FTEs (well below state estimate of 50% of annual salary per FTE)		\$30,000
Total cost over 23-25:		\$543,000