

**STATE SCHOOL AID, OTHER GRANTS, AND DEPARTMENT OF PUBLIC INSTRUCTION ADMINISTRATION  
COMPARISON OF 2019-21 BIENNIUM APPROPRIATION, 2021-23 BIENNIUM BASE BUDGET,  
AND EXECUTIVE BUDGET RECOMMENDATION - HOUSE BILL 1013 ONLY**

	2019-21 Appropriation	2021-23 Base Budget	2021-23 Executive Budget	2021-23 Executive Budget Increase (Decrease) Compared to 2019-21 Appropriation	2021-23 House Version
<b>State school aid program</b>					
State school aid - Integrated formula payments	\$2,098,202,429	\$2,098,202,429	\$2,112,224,733	\$14,022,304	\$0
Transportation aid payments	56,500,000	56,500,000	56,500,000	0	0
Rapid enrollment grants	3,000,000	0	0	(3,000,000)	0
Special education - Contracts	24,000,000	24,000,000	27,000,000	3,000,000	0
Total - State school aid program	\$2,181,702,429	\$2,178,702,429	\$2,195,724,733	\$14,022,304	\$0
General fund	\$1,690,938,429	\$1,690,938,429	\$1,569,704,733	(\$121,233,696)	\$0
Foundation aid stabilization fund	113,000,000	110,000,000	193,000,000	80,000,000	0
State tuition fund	377,764,000	377,764,000	433,020,000	55,256,000	0
Total state school aid program	\$2,181,702,429	\$2,178,702,429	\$2,195,724,733	\$14,022,304	\$0
<b>Other program grants - General fund</b>					
Adult education matching grants	\$4,400,000	\$4,400,000	\$4,400,000	\$0	\$0
School food services matching grants	1,380,000	1,380,000	1,380,000	0	0
Free breakfast program	200,000	200,000	200,000	0	0
Advanced placement testing	0	0	425,000	425,000	0
Family engagement	0	0	350,000	350,000	0
Program grant pool	1,500,000	1,500,000	0	(1,500,000)	0
Leadership professional development	200,000	200,000	325,000	125,000	0
Total - Other program grants - General fund	\$7,680,000	\$7,680,000	\$7,080,000	(\$600,000)	\$0
<b>Other grants - Other funds</b>					
Federal grants	\$286,837,705	\$286,837,705	\$311,837,705	\$25,000,000	\$0
Music grants - Foundation aid stabilization fund	800,000	0	0	(800,000)	0
Displaced homemaker program	225,000	225,000	225,000	0	0
Total - Other grants - Other funds	\$287,862,705	\$287,062,705	\$312,062,705	\$24,200,000	\$0
<b>Total state school aid and other grants - All funds</b>	<b>\$2,477,245,134</b>	<b>\$2,473,445,134</b>	<b>\$2,514,867,438</b>	<b>\$37,622,304</b>	<b>\$0</b>
<b>Agency administration</b>					
Administration - General fund	\$14,270,944	\$14,070,944	\$13,478,475	(\$792,469)	\$0
Administration - Other funds	38,927,038	37,727,038	40,600,773	1,673,735	0

	2019-21 Appropriation	2021-23 Base Budget	2021-23 Executive Budget	2021-23 Executive Budget Increase (Decrease) Compared to 2019-21 Appropriation	2021-23 House Version
Total - Agency administration	\$53,197,982	\$51,797,982	\$54,079,248	\$881,266	\$0
<b>Passthrough grants, PowerSchool, and national board certification</b>					
National writing projects	\$50,000	\$50,000	\$42,500	(\$7,500)	\$0
Rural art outreach project	360,000	360,000	306,000	(54,000)	0
North Central Council for Educational Media Services	238,000	238,000	202,300	(35,700)	0
Mentoring program, of which \$3 million is one-time funding from the foundation aid stabilization fund	2,125,764	2,125,764	4,806,899	2,681,135	0
"We the People" program	50,000	50,000	42,500	(7,500)	0
Cultural heritage grants	40,000	40,000	34,000	(6,000)	0
PowerSchool	5,500,000	5,500,000	5,250,000	(250,000)	0
National board certification	108,000	108,000	108,000	0	0
Total - Passthrough grants, PowerSchool, and national board certification	\$8,471,764	\$8,471,764	\$10,792,199	\$2,320,435	\$0
General fund	\$8,471,764	\$8,471,764	\$7,792,199	(\$679,565)	\$0
Other funds - Foundation aid stabilization fund	0	0	3,000,000	3,000,000	0
Total - Passthrough grants, PowerSchool, and national board certification	\$8,471,764	\$8,471,764	\$10,792,199	\$2,320,435	\$0
<b>Total - Agency administration, passthrough grants, PowerSchool, and national board certification - All funds</b>	<b>\$61,669,746</b>	<b>\$60,269,746</b>	<b>\$64,871,447</b>	<b>\$3,201,701</b>	<b>\$0</b>
<b>Total Department of Public Instruction - All funds</b>	<b>\$2,538,914,880</b>	<b>\$2,533,714,880</b>	<b>\$2,579,738,885</b>	<b>\$40,824,005</b>	<b>\$0</b>
<b>Department of Public Instruction - Funding</b>					
Total - General fund	\$1,721,361,137	\$1,721,161,137	\$1,598,055,407	(\$123,305,730)	\$0
Total - Other funds	817,553,743	812,553,743	981,683,478	164,129,735	0
<b>Total Department of Public Instruction - All funds</b>	<b>\$2,538,914,880</b>	<b>\$2,533,714,880</b>	<b>\$2,579,738,885</b>	<b>\$40,824,005</b>	<b>\$0</b>
FTE positions	89.25	89.25	89.25	0.00	0.00

Department of Public Instruction - Budget No. 201  
 House Bill No. 1013  
 Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	89.25	\$1,721,161,137	\$812,553,743	\$2,533,714,880	89.25	\$1,721,161,137	\$812,553,743	\$2,533,714,880
2021-23 Ongoing Funding Changes								
Base payroll changes			\$2,878	\$2,878				\$0
Salary increase		\$144,768	307,001	451,769				0
Retirement contribution increase		28,724	60,914	89,638				0
Health insurance increase		1,387	2,942	4,329				0
Reduces funding for professional fees related to accreditation support		(1,112,000)		(1,112,000)				0
Reduces funding for other professional fees		(83,293)		(83,293)				0
Increases funding for information technology fees		288,000		288,000				0
Adds funding for Microsoft Office 365 licensing expenses		2,495		2,495				0
Adds funding for proposed Capitol building rent model		137,450		137,450				0
Increases funding for the cost to continue integrated formula payments		14,022,304		14,022,304				0
Adjusts the funding source for integrated formula payments to increase funding from the state tuition fund/common schools trust fund to provide a total of \$433 million from the state tuition fund/common schools trust fund for integrated formula payments		(55,256,000)	55,256,000	0				0
Increases funding for special education contract grants to provide a total of \$27 million from the general fund		3,000,000		3,000,000				0
Removes funding for the program grant pool		(1,500,000)		(1,500,000)				0



Adds funding for advanced placement testing previously included in the program grant pool	425,000	425,000	0					
Adds funding for family engagement previously included in the program grant pool	350,000	350,000	0					
Increases funding for leadership professional development to provide a total of \$325,000 from the general fund	125,000	125,000	0					
Reduces funding for teacher mentoring grants to provide ongoing funding of \$1,806,899 from the general fund	(318,865)	(318,865)	0					
Reduces funding for other passthrough grants to provide a total of \$627,300 from the general fund for various passthrough grants	(110,700)	(110,700)	0					
Reduces funding for PowerSchool to provide a total of \$5,250,000 from the general fund	(250,000)	(250,000)	0					
Total ongoing funding changes	0.00	(\$40,105,730)	\$55,629,735	\$15,524,005	0.00	\$0	\$0	\$0
<b>One-time funding items</b>								
Adds one-time funding from the foundation aid stabilization fund to increase teacher mentoring support to provide a total of \$4,806,899, of which \$1,806,899 is ongoing funding			\$3,000,000	\$3,000,000				\$0
Increases federal funding authority for elementary and secondary school emergency relief funds provided through the federal CARES Act and continued to the 2021-23 biennium, including operating expenses (\$2.5 million) and grants (\$25 million)			27,500,000	27,500,000				0
Adjusts the funding source for integrated formula payments to provide additional one-time funding from the foundation aid stabilization fund for integrated formula payments, for a total of \$193 million from the foundation aid stabilization fund		(83,000,000)	83,000,000	0				0
Total one-time funding changes	0.00	(\$83,000,000)	\$113,500,000	\$30,500,000	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	(\$123,105,730)	\$169,129,735	\$46,024,005	0.00	\$0	\$0	\$0
<b>2021-23 Total Funding</b>	89.25	\$1,598,055,407	\$981,683,478	\$2,579,738,885	89.25	\$1,721,161,137	\$812,553,743	\$2,533,714,880

Total ongoing changes as a percentage of base level	0.0%	(2.3%)	6.8%	0.6%	0.0%	0.0%	0.0%	0.0%
Total changes as a percentage of base level	0.0%	(7.2%)	20.8%	1.8%	0.0%	0.0%	0.0%	0.0%

#### Other Sections in Department of Public Instruction - Budget No. 201

	Executive Budget Recommendation	House Version
Salary of the Superintendent of Public Instruction	Section 3 would provide the statutory changes to increase the Superintendent of Public Instruction's salary. The Superintendent's annual salary would increase from the current level of \$125,880 to \$128,398, effective July 1, 2021, and to \$130,966, effective July 1, 2022, to reflect a 2 percent recommended salary increase each year of the biennium.	
Tuition apportionment	Section 4 would provide that any money available in the state tuition fund in excess of the \$433,020,000 appropriated in Section 1 of the bill is appropriated to DPI for distribution to school districts.	
Gifted and talented program funding and Medicaid matching grants	Section 5 would provide that DPI use \$800,000 of the 2021-23 legislative appropriation for integrated formula payments for reimbursing school districts or special education units for gifted and talented programs. The department is to encourage cooperative efforts for gifted and talented programs among school districts and special education units. The section also provides state school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the Medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by DPI to the Department of Human Services on behalf of the school district or unit.	
Regional education association grants	Section 6 would provide for the distribution of up to \$500,000 from the integrated formula payments line item for the purpose of providing annual grants to regional education associations during the 2021-23 biennium.	
Indirect cost allocation	Section 7 would provide that, notwithstanding North Dakota Century Code Section 54-44.1-15, DPI may deposit indirect cost recoveries in its operating account. Section 54-44.1-15 otherwise provides that indirect cost recoveries be deposited in the general fund.	

Other Sections in Department of Public Instruction - Budget No. 201

	Executive Budget Recommendation	House Version
State school aid program	Section 10 provides the sum of \$2,112,224,733 included in the integrated formula payments line item is calculated based on a per student payment rate of \$10,036 for both years of the 2021-23 biennium.	
Grants - Passthrough grants distribution	Section 11 would require no more than one-half of the passthrough grants provided to the department may be distributed during the 1st year of the biennium.	
Foundation aid stabilization fund transfer	Section 12 requires the Office of Management and Budget transfer, on a quarterly basis, a total of \$193 million from the foundation aid stabilization fund to the operating fund of DPI for the purpose of providing integrated formula payments.	
State school aid formula changes	<p>Sections 13 and 14 would provide the statutory changes to the state school aid formula included in the executive budget recommendation. Statutory changes include:</p> <ul style="list-style-type: none"><li>• Integrated per student payment rates will remain \$10,036 during both years of the 2021-23 biennium, the same as the 2nd year of the 2019-21 biennium;</li><li>• Transition maximum and minimum calculations are the same during both years of the 2021-23 biennium as they were during the 2nd year of the 2019-21 biennium; and</li><li>• Local revenues deducted in the state school aid formula are reduced by the percentage of mills levied in 2020 for sinking and interest relative to the total mills levied in 2020 by the school district for all purposes.</li></ul>	