

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

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE	General	Other	Total	FTE	General	Other	Total	FTE	General	Other	Total
	Positions	Fund	Funds		Positions	Fund	Funds		Positions	Fund	Funds	
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	0.00	\$0	\$0	\$0
2021-23 Ongoing Funding Changes												
Base payroll changes			\$2,878	\$2,878			\$2,878	\$2,878				\$0
Salary increase		\$144,768	307,001	451,769		125,879	278,342	404,221		(18,889)	(28,659)	(47,548)
Retirement contribution increase		28,724	60,914	89,638				0		(28,724)	(60,914)	(89,638)
Health insurance increase		1,387	2,942	4,329		1,387	2,942	4,329				0
Transfers 3 FTE positions and related salaries of \$600,000 and operating expenses of \$100,000 to the Department of Human Services pursuant to House Bill No. 1416				0	(3.00)	(300,000)	(400,000)	(700,000)	(3.00)	(300,000)	(400,000)	(700,000)
Adjusts funding for professional fees related to accreditation support		(1,112,000)		(1,112,000)		(1,112,000)	1,112,000	0			1,112,000	1,112,000
Reduces funding for other professional fees		(83,293)		(83,293)		(83,293)		(83,293)				0
Increases funding for information technology fees		288,000		288,000		288,000		288,000				0
Adds funding for Microsoft Office 365 licensing expenses		2,495		2,495		2,495		2,495				0
Adds funding for proposed Capitol building rent model		137,450		137,450				0		(137,450)		(137,450)
Removes funding for ACT testing fees				0		(780,000)		(780,000)		(780,000)		(780,000)
Adjusts funding for the cost to continue integrated formula payments		14,022,304		14,022,304		(16,868,441)		(16,868,441)		(30,890,745)		(30,890,745)
Adjusts funding for state school aid formula changes pursuant to House Bill No. 1388				0		12,036,512		12,036,512		12,036,512		12,036,512
Adds funding related to the fiscal impact of increased participation in summer school related to House Bill No. 1436				0		1,300,000		1,300,000		1,300,000		1,300,000
Adds funding related to the fiscal impact of House Bill No. 1246 related to the eliminating the deduction of tuition paid with federal impact aid				0		3,700,000		3,700,000		3,700,000		3,700,000
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		(55,256,000)	55,256,000	0		(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		3,000,000		3,000,000				0
Increases funding from federal funds related to a comprehensive literacy development grant				0			25,676,188	25,676,188			25,676,188	25,676,188

Removes funding for the program grant pool. The House adjusted funding for the program grant pool to provide a total of \$900,000 from the general fund	(1,500,000)	(1,500,000)			(600,000)	(600,000)			900,000	900,000		
Increases funding for adult education matching grants to provide a total of \$5 million		0			600,000	600,000			600,000	600,000		
Removes funding for leadership professional development		0			(200,000)	(200,000)			(200,000)	(200,000)		
Adds funding for advanced placement testing previously included in the program grant pool	425,000	425,000				0			(425,000)	(425,000)		
Adds funding for family engagement previously included in the program grant pool	350,000	350,000				0			(350,000)	(350,000)		
Increases funding for leadership professional development to provide a total of \$325,000 from the general fund	125,000	125,000				0			(125,000)	(125,000)		
Reduces funding for teacher mentoring grants to provide ongoing funding of \$1,806,899 from the general fund	(318,865)	(318,865)				0			318,865	318,865		
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)			(110,700)	(110,700)				0		
Adjusts funding for combined program grants and passthrough grants and provides funding from special funds available from carryover		0			(10,233,064)	10,233,064	0		(10,233,064)	10,233,064	0	
Reduces funding for PowerSchool to provide a total of \$5,250,000 from the general fund	(250,000)	(250,000)			(250,000)	(250,000)					0	
Increases funding for national board certification to provide a total of \$176,290		0			68,290	68,290			68,290	68,290		
Total ongoing funding changes	0.00	(\$40,105,730)	\$55,629,735	\$15,524,005	(3.00)	(\$64,670,935)	\$92,161,414	\$27,490,479	(3.00)	(\$24,565,205)	\$36,531,679	\$11,966,474
One-time funding items												
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			(\$3,000,000)	(\$3,000,000)	
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			(27,500,000)	(27,500,000)	
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		83,000,000	(83,000,000)	0	

Adds one-time funding from special funds available from carryover for a science experiment development grant	0	0					13,500,000	13,500,000				13,500,000
Total one-time funding changes	0.00	(\$83,000,000)	\$113,500,000	\$30,500,000	0.00	\$0	\$13,500,000	\$13,500,000	0.00	\$83,000,000	(\$113,500,000)	(\$17,000,000)
Total Changes to Base Level Funding	0.00	(\$123,105,730)	\$169,129,735	\$46,024,005	(3.00)	(\$64,670,935)	\$105,661,414	\$40,990,479	(3.00)	\$58,434,795	(\$76,968,321)	(\$5,033,526)
2021-23 Total Funding	89.25	\$1,598,055,407	\$981,683,478	\$2,579,738,885	86.25	\$1,656,490,202	\$918,215,157	\$2,574,705,359	(3.00)	\$58,434,795	(\$76,968,321)	(\$5,033,526)
<i>Total ongoing changes as a percentage of base level</i>	0.0%	(2.3%)	6.8%	0.6%	(3.4%)	(3.8%)	11.3%	1.1%				
<i>Total changes as a percentage of base level</i>	0.0%	(7.2%)	20.8%	1.8%	(3.4%)	(3.8%)	13.0%	1.6%				

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.	A section is added to amend 15.1-02-02 to 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 \$127,768, effective July 1, 2021, and to \$129,685, effective July 1, 2022, to reflect a a 1.5 percent 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.	This section is amended to 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. (This section is part of the base budget.)
Foundation aid stabilization fund		This section identifies \$110,000,000 included in the estimated income line of Section 1 is provided from the foundation aid stabilization fund for integrated formula payments. (This section is part of the base budget.)
Exemption - Dyslexia screening pilot program		A section is added to provide an exemption to allow Department of Public Instruction to continue up to \$250,000 of funding remaining in the integrated formula payments line item from the 2019-21 biennium into the 2021-23 biennium to continue a dyslexia screening pilot program.
Exemption - Transfer - Public instruction fund		A section is added to provide if, after the Superintendent of Public Instruction complies with all statutory payment obligations imposed for the 2019-21 biennium, any money remains in the integrated formula payments line item in subdivision 1 of Section 1 of Chapter 38 of the 2019 Session Laws, the Office of Management and Budget must continue \$23,733,064 and transfer the funding to the public instruction fund for the purpose of providing program and passthrough grants during the 2021-23 biennium.
Payments for 2019-21 biennium educational services		This section provides that DPI may use money appropriated for integrated formula payments and special education contracts for the 2021-23 biennium to pay claims due during the 2019-21 biennium, but not filed with the department until the 2021-23 biennium. Claims related to the 2019-21 biennium must be filed by June 30, 2022. (This section is part of the base budget.)

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

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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.	This section provides 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. (This section is part of the base budget.)
Transportation grants - Distribution		This section provides guidelines for the distribution of transportation grants. (This section is part of the base budget.)
Condition on appropriation - Program and passthrough grants line item		A section is added precluding federal funds from being used for adult education matching grants, school food services matching grants, program grant pool initiatives, and the mentoring program.
Program grant pool - Continuing education grants		A section included in the base budget to provide for the distribution of up to \$125,000 from the grants - program grants line item for continuing education grants is removed.
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.	This section provides 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. (This section is part of the base budget.)
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.	This section provides 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. (This section is part of the base budget.)
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.	A section included in the base budget requiring no more than one-half of the passthrough grants provided to the department may be distributed during the 1st year of the biennium is removed.
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.	

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

	Executive Budget Recommendation	House Version
State school aid formula changes	Sections 13 and 14 would provide the statutory changes to the state school aid formula included in the executive budget recommendation. Statutory changes include: <ul style="list-style-type: none">• 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;• 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• 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.	
Reimbursement for administrative cost sharing		A section is added to amend Section 15.1-27-16 to provide reimbursement for administrative cost sharing.
School health technician certificate		A section is added to amend Section 15.1-02-16 to allow Superintendent of Public Instruction to develop a certificate for school health technicians.
School counselors		A section is added to amend 15.1-06-19 related to school counselors.
Fees deposited into the public instruction fund		A section is added to provide any moneys collected for GED fees and displaced homemakers deposits, must be deposited in public instruction fund in the state treasury and may be spent subject to appropriation by the Legislative Assembly.
Legislative Management Study - Common schools trust fund distributions for school construction		A section is added to provide for a Legislative Management study of the feasibility and desirability of using up to 1 percent of common schools trust fund assets annually to be used for school construction grants.
Learning loss and accelerated learning recovery - Report to Legislative Management		A section is added to require the Superintendent of Public Instruction to collect school district reports regarding learning loss and gaps, school district plans to accelerate learning recovery, and uses of ESSER funding.
Expiration - Administrative cost sharing		A section is added to provide administrative cost sharing reimbursment is effective through June 30, 2024.