

TESTIMONY ON HB1013
OVERVIEW OF DEPARTMENT OF PUBLIC INSTRUCTION
SENATE APPROPRIATIONS COMMITTEE
Thursday, March 18, 2021
By: Kirsten Baesler, State Superintendent
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Chairman Holmberg and members of the Senate Appropriations Committee:

For the record, my name is Kirsten Baesler, Superintendent of the North Dakota Department of Public Instruction. I am here to provide an overview of the Department's budget bill, House Bill 1013, companion bills impacting the Department's budget, and essential information on the Elementary Secondary School Emergency Relief funds, better known as the ESSER funds in Congress's three Covid 19 packages.

Directly after my testimony you will hear from Mr. Jamie Mertz, who is the director of NDDPI's Office of Fiscal Management, and Mr. Adam Tescher who is the school finance officer within that Office. They will share information about the Department's budget proposal, the changes made in the House, and our most recent school enrollment and student projection numbers.

The Superintendent of Public Instruction is also responsible for the supervision of the North Dakota State Library, the North Dakota School for the Blind and Vision Services in Grand Forks, and the North Dakota School for the Deaf and Resource

Center for the Deaf and Hard of Hearing in Devils Lake. You will hear from those leaders at a later date.

It is impossible to discuss HB 1013 - the K12 budget bill – without also discussing companion bills that are rolled into NDDPI's final budget. On page 5 of your binder, you will notice that in the 2017-2019 biennium, **96%** of the \$2 billion NDDPI/K12 budget was delivered out to local school districts. In the 2019-21 biennium, **97%** of the NDDPI budget is paid to local school districts. Important companion funding bills this session include HB1388 and HB1394.

HB 1388 contains the state's funding formula of state aid to local school districts and was developed by the Education Funding Formula Review Interim Committee. The House version provides no increases to the per pupil payment of \$10,036 per student and creates an appropriation of \$260,000 for operations of the K12 Coordination Council. The Senate Education Committee heard the bill Monday, and an amendment was introduced to implement a 1% and 1% increase to the per pupil payment. The payment rates would be \$10,136 per pupil for the 2021-22 school year and \$10,237 per pupil for the 2022-23 school year if the amendment is adopted.

HB 1394 contains the state's Covid 19 relief funding from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), signed by President Trump in December 2020. North Dakota will receive \$135,924,393 in

ESSER funds for public schools, \$3,998,745 for private schools, and \$681,562 for The Emergency Food Assistance Program (TEFAP) within HB 1394.

I will provide you with several handouts to provide basic information on the **three** Elementary Secondary School Emergency Relief packages North Dakota received for K12 and allowable uses, but before I do that, I want to answer one commonly asked question I received on the House side. “What does it mean that all ESSER funds require a State’s Maintenance of Effort?”

It means, in practice, states that receive ESSER funds may reduce their state spending on education in FY 2022, but not at a greater percentage than reductions to other state-funded activities. For example, consider a state that spent on average \$10 billion of state funds on education in FYs 2017, 2018, and 2019, which amounted to 30% of the state's budget. In FY 2022, the state plans to reduce its state spending on education to \$9.5 billion, but since it is reducing other parts of its budget too, spending on education will still amount to 30% of the state's budget. This would satisfy ESSER maintenance of effort requirement because the state did not reduce its proportion of education spending, although it reduced the amount.

Since the last session of our Legislature adjourned, our North Dakota schools have faced some unprecedented challenges because of the COVID-19 pandemic. Our teachers and administrators have had to provide quality education and manage the impact of a pandemic at the same time. This has put stress on everyone.

Last spring, our school buildings were closed from mid-March to the end of the school year. In most states, education stopped entirely and funding to those schools ceased. That was not the case in North Dakota. Even though our buildings were closed education continued and foundation aid payments continued. Our schools drafted plans to provide distance learning in a matter of days because we have a long history of commitment to education in North Dakota.

We have been a national leader in continuing to provide education, and we have emphasized the importance of keeping our schools open. As of yesterday (Wednesday, March 17, 2021), 85 percent of our students were attending school in-person full time, 5 percent were in a hybrid learning model, and 10 percent were engaged in all distance learning.

The Department of Public Instruction has tried to act as an educational Red Cross. When there is a flood, tornado or other natural disaster, the Red Cross is there to provide blankets and water and food. They support the locals to get them on their feet again. We have done this by providing technical assistance, academic support tools, and creating a Healthy Return to Learning team in partnership with our North Dakota Department of Human Services and our Department of Health.

The Legislature and the federal government have been strong partners in helping our schools manage the pandemic.

Our world has been upended, and we've seen lots of change. Our educators and Department team jumped into the deep end and we've learned to swim.

North Dakota has devoted tremendous energy to encouraging innovation in education, and the pandemic has accelerated this trend. Our work continues.

The biggest challenge ahead is to make sure the education advancement of our students continues. We have assessment data that tells us that the pandemic has caused a delay in learning among some students, especially students with disabilities, those living in poverty, and those who do not have strong family support systems. We need to make sure that educationally speaking, our students are where they need to be. The final item I want to share is a plan created at the request of the Education & Environment Division of the House Appropriations Committee. It has been reviewed, vetted, and ranked by education stakeholders from across the state, including superintendents, teachers, principals, students, and families. It will serve as a guide and menu of options to utilize as we help our children find their way through this pandemic into a future in which they thrive.

Mr. Chairman and members of the committee, thank you for your time. I look forward to working with you in committee or work meetings to further strengthen the bill to secure the state's mission of delivering quality education services and maintaining the fiduciary responsibilities to our taxpayers. Please do not hesitate to

call upon me and the Department of Public Instruction team as a resource to help your work.

Before I turn it over to Mr. Jamie Mertz, director of NDDPI's Fiscal Management Office to provide testimony on the Department of Public Instruction's budget recommendation and administrative funding requests and Mr. Adam Tescher, our school finance officer. I am happy to answer any questions.

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