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## **BUDGET SECTION - EDUCATION AND ENVIRONMENT DIVISION**

Wednesday, June 25, 2025  
Room 327C, State Capitol  
Bismarck, North Dakota

Representative Mike Nathe, Chairman, called the meeting to order at 1:00 p.m.

**Members present:** Representatives Mike Nathe, Karla Rose Hanson, Scott Louser, Bob Martinson, David Richter, Mark Sanford, Steve Swiontek; Senators Cole Conley, Donald Schaible, Ronald Sorvaag, Paul J. Thomas

**Members absent:** Senator Scott Meyer

**Others present:** Representative LaurieBeth Hager, Fargo, member of Legislative Management

Chairman Nathe provided comments regarding plans to review budgets assigned to the committee. He suggested committee members review agency budgets and bring requests for information and possible presentations to the chairman or vice chairman.

### **COMMITTEE DUTIES**

Ms. Sheila Sandness, Senior Fiscal Analyst, Legislative Council, presented a memorandum entitled [Budget Section Divisions - Background Memorandum](#). She noted the nonleadership divisions of the Budget Section have been assigned to review agency base budgets and programs, receive updates on the status of agency budgets, review agency budget requests, conduct selected tours of state facilities, and receive information on other budget-related areas.

### **CAREER AND TECHNICAL EDUCATION CENTERS**

Mr. Alex Cronquist, Senior Fiscal Analyst, Legislative Council, provided information ([27.9018.01000](#)) regarding the statewide area career center initiative grant program and the status of career academy projects. He noted:

- The Legislative Assembly appropriated \$121.1 million for the statewide area career center initiative grant program for the 2021-23 and 2023-25 bienniums.
- Grants, ranging from \$1.1 million to \$13.7 million, were given to facilities in 13 communities.
- Nine facilities have been completed and the four remaining facilities are expected to be completed before the 2025-26 school year.

Committee members suggested the committee receive information regarding:

- The number of students served at each CTE facility;
- Regional programming offered to students, including school districts served by the various centers and programs with regional appeal;
- How programs are determined and funded at the various centers, including local school district and private sector contributions to funding and programming;

- The new CTE funding formula;
- Cooperative arrangements with higher education, including the impact of CTE on students entering higher education.

### **2025-27 BIENNIUM STATE BUDGET ACTIONS**

The Legislative Council staff provided information regarding [The 69<sup>th</sup> Legislative Assembly State Budget Actions for the 2025-27 Biennium](#).

Mr. Cronquist noted:

- Because it was vetoed by the Governor, a \$10 million appropriation from the general fund for homeless programs is not included in the appropriation totals in the report.
- The June 30, 2027, general fund balance is estimated to be \$238 million.
- The 2025-27 biennium general fund revenues are estimated to total \$6.5 billion, or approximately \$528 million less than the 2023-25 biennium.
- The 2025-27 biennium general fund appropriations total \$6.25 billion, or approximately \$125 million more than the 2023-25 biennium.
- The 2025-27 biennium ongoing general fund appropriations total \$6.11 billion, an increase of 4.6 percent from the 2023-25 biennium. Other funds appropriations, including special funds and federal funds, for the 2025-27 biennium total \$14 billion.

Mr. Cronquist and Ms. Sandness reviewed the 2025-27 biennium budgets for agencies assigned to the committee, including the Governor, the Department of Public Instruction (DPI), the North Dakota University System, the judicial branch, the Department of Career and Technical Education, Workforce Safety and Insurance, the State Fair, the State Historical Society, the Parks and Recreation Department, and the Department of Water Resources.

Committee members suggested the committee:

- Review funding provided from the foundation aid stabilization fund for integrated formula payments, the cost-to-continue state aid, and available funding sources.
- Receive information from DPI regarding the gap funding program established in House Bill No. 1176 (2025).
- Receive information regarding final federal Elementary and Secondary School Emergency Relief (ESSER) Fund allocation expenditures, including any ESSER funding that remained unallocated or unspent.
- Receive a summary of the other funds appropriated to agencies.

### **BUDGET AND FISCAL TRENDS**

Mr. Cronquist and Ms. Sandness presented a report entitled [Budget and Fiscal Trends](#) regarding changes in state revenues and appropriations from the 2015-17 biennium through the 2025-27 biennium.

Mr. Cronquist noted:

- The financial information in the budget trends report does not include a vetoed \$10 million appropriation from the general fund for homeless programs.
- Due to the 2025-27 biennium beginning general fund balance of \$1.16 billion being \$335 million less than the 2023-25 biennium beginning general fund balance and a decrease in 2025-27 biennium transfers of \$320 million, which are offset by a \$127.6 million increase in revenue, 2025-27 biennium general fund revenues are estimated to be 7.5 percent less than estimated 2023-25 biennium general fund revenues.

- Oil and gas tax revenue estimates are based on estimated production of 1.15 million barrels per day during the 1<sup>st</sup> year of the biennium, decreasing to 1.1 million barrels per day in the 2<sup>nd</sup> year of the biennium, and a price of \$59 per barrel in the 1<sup>st</sup> year of the biennium, decreasing to \$57 per barrel in the 2<sup>nd</sup> year of the biennium.
- The 2025-27 biennium general fund and special funds appropriations increased 2 percent and 7.8 percent, respectively, from the 2023-25 biennium and federal funds appropriations decreased 2 percent. Total appropriations from all funds increased 3.1 percent from the 2023-25 biennium.

Mr. Cronquist noted:

- 2025-27 biennium general fund appropriations related to higher education increased 1.9 percent from the 2023-25 biennium and tuition and fee revenue is estimated to increase 4 percent.
- Student full-time equivalent enrollment is anticipated to total 35,341 during the 2025-27 biennium, a 3.6 percent increase from the 2023-25 biennium.
- The Legislative Assembly did not limit tuition rate increases during the 2025-27 biennium and the average annual increases in tuition from the 2016-17 school year through the 2025-26 school year were 3.5 percent for 2-year institutions, 4.2 percent for research institutions, and 4 percent for other 4-year institutions.

Ms. Sandness noted:

- Elementary and secondary education state school aid funding, including integrated formula payments, special education contract grants, and transportation aid grants, increased 4.8 percent from \$2.4 billion during the 2023-25 biennium to \$2.5 billion during the 2025-27 biennium.
- The average biennial total funds increase from the 2015-17 through 2023-25 biennium is 4.5 percent.
- Total enrollment during the 2024-25 school year was 116,598 students and the average annual enrollment increase from the 2015-16 school year through the 2024-25 school year was 1.06 percent, while the average annual increase in number of teachers over the same period was 0.72 percent.

Mr. Cronquist noted 2025-27 biennium funding for the Department of Water Resources, totaling \$1.25 billion, including carryover, was stable when compared to the 2023-25 biennium. He noted the 2025-27 biennium funding summary does not include carryover totaling approximately \$120 million from the water project stabilization fund.

Ms. Sandness noted:

- 2025-27 biennium budgets include 16,628.37 FTEs, an increase of 426.83 positions from the 2023-25 biennium.
- Higher education positions increased by 129.74 FTE positions and remaining agencies increased by 297.09 FTE positions.
- The largest increase in positions was for the Department of Health and Human Services which increased by 204.52 FTE positions.
- Aid to political subdivisions is anticipated to total \$5.9 billion during the 2025-27 biennium, an increase of 5.3 percent from the 2023-25 biennium.
- The average biennial increase in aid to political subdivisions from the 2015-17 biennium through the 2023-25 biennium was 7.4 percent.
- During the 2025-27 biennium, school-related funding, including property tax relief, is the largest category of state aid totaling \$2.6 billion.

**COMMITTEE DISCUSSION AND STAFF DIRECTIVES**

Committee members suggested the committee receive information regarding:

- The state's teacher to student ratio, education environment, teacher salaries, and the work of a teacher retention task force.
- The details of agency base budgets.

Chairman Nathe noted the next meeting will be September 24, 2025, and the committee will review the higher education budget.

No further business appearing, Chairman Nathe adjourned the meeting at 2:38 p.m.

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Sheila M. Sandness  
Senior Fiscal Analyst

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Alex J. Cronquist  
Senior Fiscal Analyst