



BUDGET SECTION - EDUCATION AND ENVIRONMENT DIVISION

Wednesday, December 10, 2025
Room 327C, State Capitol
Bismarck, North Dakota

Representative Mike Nathe, Chairman, called the meeting to order at 1:05 p.m.

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

Member absent: Representative Karla Rose Hanson

Others present: Representative Pat D. Heinert, Bismarck
See [Appendix A](#) for additional persons present.

**Attended remotely*

It was moved by Senator Schaible, seconded by Representative Swiontek, and carried on a voice vote that the minutes of the September 24, 2025, meeting be approved as distributed.

Mr. Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, distributed a memorandum entitled [Stripper Well Exemption Study - Background](#) on the Tax Reform and Relief Advisory Committee's study of the oil extraction exemption for stripper wells.

DEPARTMENT OF PUBLIC INSTRUCTION

Ms. Lynelle Johnson, Director, Child Nutrition and Food Distribution Programs, Department of Public Instruction, presented information ([Appendix B](#)) regarding the estimated fiscal impact of a possible ballot initiative requiring free breakfast and lunch for every public school student and the potential effect on participation in the federal Free and Reduced School Lunch Program. She noted:

- During the 2024-25 school year, there were 168 public school districts with 119,506 students and 25 private schools with 6,755 students which participated in the National School Lunch Program, administered by the United States Department of Agriculture, and the state's expanded eligibility free meal program. A combined total of 41,316 students qualified for free meals under the federal and state programs. Of this number, approximately 26,000 students automatically qualified for the programs without the need to submit an eligibility application.
- For schools participating in, and meeting the requirements of, the National School Lunch Program, federal funding is provided for a portion of each meal for all students. However, federal and state programs provide additional funding for students qualifying for free or reduced meals.
- During the 2024-25 school year, federal reimbursements for all meals, including free and reduced meals, totaled approximately \$38.1 million and reimbursements for students eligible under the state program totaled \$1.6 million.
- Assuming no changes to program participation or federal reimbursement rates, a ballot initiative to provide universal free meals to students would have required state reimbursements totaling approximately \$44 million during the 2024-25 school year, \$42.4 million more than the \$1.6 million provided by the state under the current program.

- To determine the estimated cost to the state of a universal free meal initiative, the department estimated increases in participation in the program and decreases in direct eligibility certifications and applications for federal reimbursement from the 2024-25 school year. The department estimates universal free meals could cost approximately \$133.8 million during the 2027-29 biennium, including \$15.6 million for breakfast and \$118.2 million for lunch.

In response to questions from committee members, Ms. Johnson noted:

- The federal government establishes the reimbursement rates for the National School Lunch Program and, recently, rates have increased approximately 3.6 percent each year.
- The state would be responsible for providing funding for meals served to students, and any additional meals prepared, but not provided to students, would be the responsibility of the school district.
- The proposed universal free meals ballot initiative provides that private schools may elect to participate in the program.
- Free meals for students are required through constitutional or statutory provisions in nine states.

Committee members expressed concern that if the proposed ballot initiative is approved by voters, fewer families will submit applications under the federal program, resulting in less federal reimbursement and an increased cost to the state.

Ms. Johnson noted it may be possible to use applications submitted for other programs to increase federal reimbursement under the Free and Reduced School Lunch Program.

CENTER FOR DISTANCE EDUCATION

Dr. Alyssa Martin, Director, Center for Distance Education, presented information ([Appendix C](#)) regarding the agency's organizational chart; the status of the agency's 2025-27 biennium budget, including major department programs, purposes of the programs, and funding amounts and sources for the programs; the status of one-time funding items approved by the Legislative Assembly for the 2025-27 biennium; tuition and enrollment, including information regarding the impact, if any, of changes to school districts' virtual learning policies; the status of the Virtual Military Pathway Program and the Homeschool Tuition Program; and a list of distance education course contract amounts, including contracts with institutions located in other states. She noted the Center for Distance Education:

- Recently launched an advisory board to provide feedback and offer recommendations to strengthen communication and outreach to learning coaches;
- Has nine students enrolled in dual-credit courses, of which four students are attending courses through North Dakota State University (NDSU) and five students are attending courses online through Arizona State University;
- Requires courses to be offered in an asynchronous, on-demand modality and Arizona State University was selected as a partner because NDSU uses a traditional semester schedule and not all dual-credit courses could be provided through NDSU;
- Launched a new CertX Program which allows students to earn industry recognized certifications while still in high school;
- Moved to competency-based education in elementary courses 1 year ago and student growth is measured based on the state's priority standards;
- Received one-time funding for technology updates (\$75,250 from the General Fund and \$25,000 from special funds) and a Virtual Military Pathway Program and a Homeschool Tuition Program (\$192,000 from the General Fund). The center has completed 75 percent of the student information system updates and will begin updates to the billing system in spring 2026. The center has spent approximately \$20,000 on the Virtual Military Pathway Program and anticipates the remaining funding will be used during the biennium. The military program consists of five courses provided at a discounted price of \$20 per course and there are 37 students enrolled; and

- Is considering requesting authority to convert 11 temporary full-time teacher positions to permanent full-time equivalent positions.

Dr. Martin noted out-of-state enrollments have declined from 11 percent of total enrollments in 2022 to 2.8 percent in 2025 and the decline likely is due to an increase in North Dakota students and an increase in other options for out-of-state students.

In response to a question from a committee member, Dr. Martin noted the Center for Distance Education does not pay for courses at Arizona State University, but students pay Arizona State University directly for courses.

DEPARTMENT OF CAREER AND TECHNICAL EDUCATION

Mr. Wayde Sick, Director, Department of Career and Technical Education, presented information ([Appendix D](#)) regarding the department's organizational chart; the status of the department's 2025-27 biennium budget, including major department programs, purposes of the programs, and funding amounts and sources for the programs; the status of one-time funding items approved by the Legislative Assembly for the 2025-27 biennium; funding available and recent activity for secondary grants provided to schools and area career and technical centers, the Marketplace for Kids Program, the Workforce Training Program, and grants to schools for work-based learning coordinators; the transition of the Adult Farm Management Program to the Agriculture Commissioner; Statewide Area Career Center Initiative Grant Program updates for each career academy project; and the status of the department's relocation, including a comparison of rent costs before and after relocation and expenses incurred for moving and equipment. He noted:

- The department reimburses schools for 27 percent of their career and technical education program expenses and area career and technical centers for 40 percent of program expenses.
- Beginning in the 2026-27 school year, the career and technical education funding policy will change to a two-tier system that includes a base allocation to each school, based on proportional percentage of staff involved in career and technical education programs, and a performance allocation for which schools will be required to demonstrate programs are meeting performance targets.
- Under the new funding policy, area career and technical centers will receive a flat rate disbursement to support the operations of the center and may receive additional funding based on the number of member school districts served by the center, the number of unique programs provided, and student enrollment calculated based on course credits.
- The Adult Farm Management Program was transferred to the Agriculture Commissioner on July 1, 2025.
- 10 of the 13 career academy project grants have been fully disbursed and the projects are complete. The department anticipates the remaining grant funds for the Cass County, James Valley Area, and Sheyenne Valley Area centers to be distributed in the near future.
- The department relocated to the Hughes Education Center in August 2025, and anticipates spending approximately \$128,242 of the \$300,000 appropriated from the General Fund for rent, moving, and office equipment expenses during the 2025-27 biennium.

No further business appearing, Chairman Nathe adjourned the meeting at 3:51 p.m.

Levi Kinnischtzke
Senior Fiscal Analyst

Sheila M. Sandness
Senior Fiscal Analyst

ATTACH:4