

**Department of Public Instruction - Budget No. 201**  
**Senate Bill No. 2013**  
**Base Level Funding Changes**

	Senate Version				House Version				House Changes to Senate Version Increase (Decrease) - Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2023-25 Biennium Base Level</b>	86.25	\$1,658,196,873	\$938,233,270	\$2,596,430,143	86.25	\$1,658,196,873	\$938,233,270	\$2,596,430,143	0.00	\$0	\$0	\$0
<b>2023-25 Ongoing Funding Changes</b>												
Cost to continue salary increases		\$42,088	\$81,573	\$123,661		\$42,088	\$81,573	\$123,661				\$0
Salary increase		341,779	570,572	912,351		456,449	761,958	1,218,407		114,670	191,386	306,056
Health insurance increase		165,262	257,838	423,100		161,546	252,040	413,586		(3,716)	(5,798)	(9,514)
Removes salary funding for funding pool				0		(394,426)	(658,659)	(1,053,085)		(394,426)	(658,659)	(1,053,085)
Adds funding, including funding from federal and special funds, for increased operating expenses related to Information Technology Department rate increases		22,144	32,128	54,272		22,144	32,128	54,272				0
Decreases funding for information technology charges based on total funding				0		(500,000)		(500,000)		(500,000)		(500,000)
Adds funding for operating expenses related to a new Capitol space rent model		140,899		140,899		140,899		140,899				0
Adjusts funding for the cost to continue integrated formula payments		(35,329,144)		(35,329,144)		(46,367,895)		(46,367,895)		(11,038,751)		(11,038,751)
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 \$513.8 million (It is anticipated approximately \$510.9 million will be available.)		(77,840,000)	77,840,000	0		(77,840,000)	77,840,000	0				0
Increases funding from the foundation aid stabilization fund for state school aid to provide a total of \$157 million				0		(13,545,500)	13,545,500	0		(13,545,500)	13,545,500	0
Adjusts funding for integrated formula payments resulting from the accelerated implementation of on-time funding		5,300,000		5,300,000		5,294,666		5,294,666		(5,334)		(5,334)
Adds funding to increase the integrated formula payment rate by 3.5 percent in the first year and 3 percent in the second year of the biennium. The Senate provided 3 percent each year of the biennium.		119,907,953		119,907,953		133,283,787		133,283,787		13,375,834		13,375,834
Increases funding for integrated formula payments to accelerate the phase-out of transition maximum adjustments		14,767,391		14,767,391		14,779,411		14,779,411		12,020		12,020
Adds funding to increase the special education weighting factor from .082 to .088				0		15,660,200		15,660,200		15,660,200		15,660,200

Adds funding for integrated formula payments in excess of estimated cost (The Office of Management and Budget inadvertently included this funding twice in the executive recommendation.)	0		0		0	
Adds funding for property tax relief included in Senate Bill No. 2066, approved by the Senate	203,100,000	203,100,000	203,100,000	203,100,000		0
Adds funding for the fiscal impact of Senate Bill No. 2328 (Senate). The House included changes related to the school district size weighting factor for school districts with multiple plants in Senate Bill No. 2284.	8,880,000	8,880,000	8,973,086	8,973,086	93,086	93,086
Increases funding related to exempting tuition for high-cost students from the state aid formula pursuant to Senate Bill No. 2013	0		5,020,000	5,020,000	5,020,000	5,020,000
Increases funding in the integrated formula payments line item to increase grants to regional education associations to provide a total of \$700,000. The House provided \$500,000.	200,000	200,000	0	0	(200,000)	(200,000)
Increases funding for other grants for anticipated increases in United States Department of Agriculture food program funding	50,000,000	50,000,000	50,000,000	50,000,000		0
Increases funding for other grants for anticipated increases in United States Department of Education programs	20,000,000	20,000,000	20,000,000	20,000,000		0
Increases funding from special funds derived from carryover for adult education matching grants to provide a total of \$5.5 million	0		500,000	500,000	500,000	500,000
Increases funding from special funds derived from carryover for the leveraging the senior year program to provide a total of \$1.2 million for the program grant pool	300,000	300,000	300,000	300,000		0
Removes funding from special funds derived from carryover funds for a program grant to provide free breakfast, qualifying students are included in funding for meals in Senate Bill No. 2284	0		(200,000)	(200,000)	(200,000)	(200,000)
Allocates \$10,387,064 of special funds included in the base budget in the grants - program and passthrough line to the grants - passthrough grants line and the grants - programs grants line and reduces funding from carryover for certain passthrough grants	(677,300)	(677,300)	(677,300)	(677,300)		0

Increases funding for passthrough grants for the teacher mentoring program to provide a total of \$4 million from special funds resulting from carryover. The Senate provided \$2,125,764 from special funds resulting from carryover	0				1,874,236	1,874,236		1,874,236	1,874,236			
Adds funding from special funds derived from general fund carryover for passthrough grants	0				485,000	485,000		485,000	485,000			
Increases funding for PowerSchool to provide a total of \$5,775,000	525,000		525,000		525,000	525,000			0			
Total ongoing funding changes	0.00	\$240,223,372	\$148,404,811	\$388,628,183	0.00	\$248,811,455	\$164,136,476	\$412,947,931	0.00	\$8,588,083	\$15,731,665	\$24,319,748
<b>One-Time Funding Items</b>												
Adjusts funding for integrated formula payments to provide one-time funding from the foundation aid stabilization fund to provide a total of \$281.7 million from the fund for integrated formula payments				\$0				0				0
Adds one-time funding from carryover for program grants for school board training. The executive budget provided funding from the foundation aid stabilization fund.			\$2,000,000	2,000,000		1,500,000	1,500,000			(500,000)	(500,000)	
Adds one-time funding from carryover for program grants for cybersecurity training for teachers. The executive budget provided funding from the foundation aid stabilization fund.			1,000,000	1,000,000		0	0			(1,000,000)	(1,000,000)	
Adds one-time funding from carryover for program grants for a grow-your-own teacher program. The executive budget provided funding from the foundation aid stabilization fund. Senate Bill No. 2032 includes general fund authority for the program.			3,000,000	3,000,000		0	0			(3,000,000)	(3,000,000)	
Adds one-time funding for program grants for regional education association merger incentive grants	0				70,000	70,000			70,000			70,000
Adds one-time funding for a passthrough grant to North Dakota's Gateway to Science	0				3,500,000	3,500,000			3,500,000			3,500,000
Adds one-time funding from special funds derived from general fund carryover to make a reading tool available statewide	0				1,600,000	1,600,000			1,600,000			1,600,000
Adds one-time funding from special funds derived from general fund carryover to provide for a teacher retention program	0				4,300,000	4,300,000			4,300,000			4,300,000

Adds one-time funding from SIIF for passthrough grants to Sleepy Hollow Theatre and the Grand Forks and Fargo Science Centers				0			8,900,000	8,900,000		8,900,000	8,900,000	
Total one-time funding changes	0.00	\$0	\$6,000,000	\$6,000,000	0.00	\$3,570,000	\$16,300,000	\$19,870,000	0.00	\$3,570,000	\$10,300,000	\$13,870,000
<b>Total Changes to Base Level Funding</b>	0.00	\$240,223,372	\$154,404,811	\$394,628,183	0.00	\$252,381,455	\$180,436,476	\$432,817,931	0.00	\$12,158,083	\$26,031,665	\$38,189,748
<b>2023-25 Total Funding</b>	86.25	\$1,898,420,245	\$1,092,638,081	\$2,991,058,326	86.25	\$1,910,578,328	\$1,118,669,746	\$3,029,248,074	0.00	\$12,158,083	\$26,031,665	\$38,189,748
<i>Federal funds included in other funds</i>			\$419,388,783				\$418,917,141				(\$471,642)	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	14.5%	15.8%	15.0%	0.0%	15.0%	17.5%	15.9%				
<i>Total changes as a percentage of base level</i>	0.0%	14.5%	16.5%	15.2%	0.0%	15.2%	19.2%	16.7%				

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

	<u>Senate Version</u>	<u>House Version</u>
Tuition apportionment	Section 3 provides that any money available in the state tuition fund in excess of the \$510,860,000 appropriated in Section 1 of the bill is appropriated to DPI for distribution to school districts.	Section 3 provides that any money available in the state tuition fund in excess of the \$510,860,000 appropriated in Section 1 of the bill is appropriated to DPI for distribution to school districts.
Foundation aid stabilization fund	Section 4 provides \$143,454,500 included in the estimated income line item of Section 1 is provided from the foundation aid stabilization fund for integrated formula payments.	Section 4 provides \$157,000,000 included in the estimated income line item of Section 1 is provided from the foundation aid stabilization fund for integrated formula payments.
Strategic investment and improvements fund		Section 5 provides \$8,900,000 included in the estimated income line item of Section 1 is provided from the strategic investment and improvements fund for passthrough grants.
Payments for 2021-23 biennium special education services	Section 5 provides that DPI may use money appropriated for integrated formula payments and special education contracts for the 2023-25 biennium to pay claims due during the 2021-23 biennium, but not filed with the department until the 2023-25 biennium. Claims related to the 2021-23 biennium must be filed by June 30, 2024.	Section 6 provides that DPI may use money appropriated for integrated formula payments and special education contracts for the 2023-25 biennium to pay claims due during the 2021-23 biennium, but not filed with the department until the 2023-25 biennium. Claims related to the 2021-23 biennium must be filed by June 30, 2024.
Gifted and talented program funding	Section 6 provides that DPI use \$800,000 of the 2023-25 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.	Section 7 provides that DPI use \$800,000 of the 2023-25 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.
Medicaid matching funding - School approval - Withholding and distribution	Section 7 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 Health and Human Services on behalf of the school district or unit. In addition, this section authorizes the department to withhold funds required to be paid by school districts for school approval.	Section 8 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 Health and Human Services on behalf of the school district or unit. In addition, this section authorizes the department to withhold funds required to be paid by school districts for school approval.
Regional education association merger grants		Section 9 provides for the distribution of one-time funding for regional education association merger incentive grants.

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

	<u>Senate Version</u>	<u>House Version</u>
Regional education association grants	Section 8 increases regional education association grants to provide a total of \$700,000 and to provide annual grants of \$50,000 to each regional education association.	Section 10 provides for the distribution of \$500,000, for regional education association grants the same as the 2021-23 biennium.
Grants - Passthrough grants distribution	Section 9 requires no more than one-half of the passthrough grants included in the grants - passthrough grants line item may be expended during the fiscal year ending June 30, 2024, and provides for reporting requirements.	The section related to the application, distribution, and reporting for passthrough grants is removed.
Use of new money - Nonadministrative personnel compensation increases	Section 10 requires school districts to use 70 percent of increased funding related to any increases in the integrated formula payment rate for compensation increases for nonadministrative personnel and the Superintendent of Public Instruction to provide guidance to school districts regarding the calculation of the amount of new money resulting from increases in the base integrated formula payment rate during the 2023-25 biennium.	Section 11 requires school districts to use 70 percent of increased funding related to any increases in the integrated formula payment rate for compensation increases for nonadministrative personnel and the Superintendent of Public Instruction to provide guidance to school districts regarding the calculation of the amount of new money resulting from increases in the base integrated formula payment rate during the 2023-25 biennium. The House provided additional funding provided to reduce the local property tax contribution to the integrated formula is not considered new money.
Exemption - Deposits into the department's operating account	Section 11 provides that, notwithstanding Section 54-44.1-15, DPI may deposit indirect cost recoveries, any money collected by DPI for general educational development fees, and displaced homemakers deposits in its operating account. Section 54-44.1-15 otherwise provides that these funds be deposited in the general fund.	Section 12 provides that, notwithstanding Section 54-44.1-15, DPI may deposit indirect cost recoveries, any money collected by DPI for general educational development fees, and displaced homemakers deposits in its operating account. Section 54-44.1-15 otherwise provides that these funds be deposited in the general fund.
Exemption - 2021-23 biennium funding exemption and transfer to the Department of Public Instruction operating fund	Section 12 provides that if, after the Superintendent of Public Instruction complies with all statutory payment obligations imposed for the 2021-23 biennium, any money remains in the integrated formula payments line item, the lesser of \$16,009,764 or the remaining amount must be continued into the 2023-25 biennium and OMB must transfer this amount into the public instruction fund for the purpose of providing program and passthrough grants.	Section 13 provides that if, after the Superintendent of Public Instruction complies with all statutory payment obligations imposed for the 2021-23 biennium, any money remains in the integrated formula payments line item, the lesser of \$20,069,000 or the remaining amount must be continued into the 2023-25 biennium and OMB must transfer this amount into the public instruction fund for the purpose of providing program and passthrough grants.
Exemption - Unexpended appropriations	Section 13 provides COVID-19-related funds appropriated to DPI from the ESSER Fund and other federal funds during the 2021-23 biennium are not subject to Section 54-44.1-11 and any unexpended funds may be continued into the 2023-25 biennium.	Section 14 provides COVID-19-related funds appropriated to DPI from the ESSER Fund and other federal funds during the 2021-23 biennium are not subject to Section 54-44.1-11 and any unexpended funds may be continued into the 2023-25 biennium.
Exemption - Unexpended appropriations STARS/SLEDS upgrades		Section 15 is added to allow the department to continue unexpended one-time funding provided for upgrades to the STARS and SLEDS systems. The Department of Public Instruction will retain \$5 million for STARS upgrades and must transfer any funding continued over \$5 million to the Information Technology Department for SLEDS upgrades.

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

	<u>Senate Version</u>	<u>House Version</u>
Salary of the Superintendent of Public Instruction	Section 15 provides the statutory changes to increase the Superintendent of Public Instruction's salary. The Superintendent's annual salary would increase from the current level of \$130,323 to \$135,536, effective July 1, 2023, and to \$140,957, effective July 1, 2024, to reflect legislative salary increases of 4 percent each year of the biennium.	Section 17 provides the statutory changes to increase the Superintendent of Public Instruction's salary. The Superintendent's annual salary would increase from the current level of \$130,323 to \$138,142, effective July 1, 2023, and to \$143,668, effective July 1, 2024, to reflect legislative salary increases of 6 percent in the 1st year and 4 percent in the 2nd year of the biennium. The Senate provided salary increases of 4 percent each year of the biennium.
Tuition revenue deduction in the integrated formula		Section 18 amends the state school aid funding formula to exempt tuition received for the education of high-cost and special education students from deduction in the formula.
High-cost students - Definitions, services, and school district liability		Sections 19, 20, and 21 relate to various definitions relating to high-cost students, services to high-cost students, and school district liability related to special education and other high-cost services
Legislative intent - Amendments to the state school aid formula		Section 23 provides legislative intent that the 69th Legislative Assembly consider amendments to the state school aid integrated funding formula only in the appropriation bill for the Department of Public Instruction.
Effective date - Senate Bill Nos. 2050 and 2269		Section 24 provides for effective dates for Sections 3, 4, and 7 of Senate Bill No. 2050 related to library state aid and Senate Bill No. 2269 related to the transfer of the Center for Distance Education to the Department of Public Instruction.
Emergency clause - Senate Bill Nos. 2050 and 2269		Section 25 declares Section 3, 4, and 7 of Senate Bill No. 2050 and Senate Bill No. 2269 an emergency measure.
Indirect cost allocation		
Transfer - Foundation aid stabilization fund to Department of Public Instruction - One-time funding		
State school aid formula changes		