

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

	Executive Budget Recommendation				Senate Version			
	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
<b>2023-25 Ongoing Funding Changes</b>								
Cost to continue salary increases		\$42,088	\$81,573	\$123,661				\$0
Salary increase		456,449	761,958	1,218,407				0
Health insurance increase		161,546	252,040	413,586				0
Adds funding, including funding from federal and special funds, for increased operating expenses related to ITD rate increases		22,144	32,128	54,272				0
Adds funding for operating expenses related to a new Capitol space rent model		140,899		140,899				0
Adjusts funding for the cost to continue integrated formula payments		(35,329,144)		(35,329,144)				0
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 \$511.9 million will be available.)		(80,812,000)	80,812,000	0				0
Decreases funding for integrated formula payments resulting from the accelerated implementation of on-time funding		(2,400,000)		(2,400,000)				0
Adds funding to increase the integrated formula payment rate by 4 percent in the 1st year of the biennium and 3 percent in the 2nd year of the biennium		146,409,518		146,409,518				0
Increases funding for integrated formula payments to accelerate the phase-out of transition maximum adjustments		14,767,391		14,767,391				0
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.)		14,767,391		14,767,391				0
Increases funding for other grants for anticipated increases in United States Department of Agriculture food program funding			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				0

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Increases funding for the leveraging the senior year program to provide a total of \$1.4 million for the program grant pool, of which \$900,000 is allocated to the leveraging the senior year program	500,000				500,000					0
Transfers \$10,387,064 of special funds included in the base budget in the grants - program and passthrough line item to the grants - passthrough grants line item					0					0
Increases funding for passthrough grants for the teacher mentoring program to provide a total of \$4,251,528, of which \$2,125,764 is from the general fund and \$2,125,764 is from special funds resulting from carryover	2,125,764				2,125,764					0
Increases funding for PowerSchool to provide a total of \$5,775,000	525,000				525,000					0
Total ongoing funding changes	0.00	\$61,377,046	\$151,939,699	\$213,316,745		0.00	\$0	\$0	\$0	\$0
<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		(\$138,215,156)	\$138,215,156		\$0					0
Adds one-time funding from the foundation aid stabilization fund for program grants for school board training			3,000,000	3,000,000						0
Adds one-time funding from the foundation aid stabilization fund for program grants for cybersecurity training for teachers			2,000,000	2,000,000						0
Adds one-time funding from the foundation aid stabilization fund for program grants for a grow-your-own-teacher program			4,000,000	4,000,000						0
Total one-time funding changes	0.00	(\$138,215,156)	\$147,215,156	\$9,000,000		0.00	\$0	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	(\$76,838,110)	\$299,154,855	\$222,316,745		0.00	\$0	\$0	\$0	\$0
<b>2023-25 Total Funding</b>										
Federal funds included in other funds	86.25	\$1,581,358,763	\$1,237,388,125	\$2,818,746,888		86.25	\$1,658,196,873	\$938,233,270	\$2,596,430,143	
			\$419,573,819					\$348,453,516		
Total ongoing changes as a percentage of base level	0.0%	3.7%	16.2%	8.2%		0.0%	0.0%	0.0%	0.0%	
Total changes as a percentage of base level	0.0%	(4.6%)	31.9%	8.6%		0.0%	0.0%	0.0%	0.0%	

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

**Salary of the Superintendent of Public Instruction**

**Executive Budget Recommendation**

**Senate Version**

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 \$130,323 to \$138,142, effective July 1, 2023, and to \$143,668, effective July 1, 2024, to reflect recommended salary increases of 6 percent in the 1st year of the biennium and 4 percent in the 2nd year of the biennium.

**Tuition apportionment**

Section 4 would provide that any money available in the state tuition fund in excess of the \$513,832,000 appropriated in Section 1 of the bill is appropriated to DPI for distribution to school districts.

**Gifted and talented program funding and Medicaid matching grants**

Section 5 would provide 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. 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 Health and Human Services on behalf of the school district or unit.

**Indirect cost allocation**

Section 6 would provide that, notwithstanding 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.

**Grants - Other grants distribution**

Section 8 would require no more than one-half of the passthrough grants included in the grants - other grants line item is to be expended during the fiscal year ending June 30, 2024.

**Transfer - Foundation aid stabilization fund transfer to Department of Public Instruction operating fund**

Section 9 would require OMB transfer, on a quarterly basis, a total of \$283,755,019 from the foundation aid stabilization fund to the operating fund of DPI for the purpose of providing integrated formula payments. The executive budget appropriates \$281,669,656 from the foundation aid stabilization fund for integrated formula payments.

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

**Executive Budget Recommendation**

**Senate Version**

Transfer - Foundation aid stabilization fund to Department of Public Instruction - One-time funding

Section 10 would require the OMB transfer, on a quarterly basis, a total of \$9 million from the foundation aid stabilization fund to DPI for school board training (\$3 million), a cybersecurity credential incentive (\$2 million), and a grow-your-own-teacher program (\$4 million).

Use of new money - Nonadministrative personnel compensation increases

Section 11 would require 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.

Exemption - 2021-23 biennium funding exemption and transfer to the Department of Public Instruction operating fund

Section 12 would provide 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 \$10,387,064 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 - Deposits into the department's operating account

Section 13 would provide 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 - ESSER Fund

Section 14 would provide funds appropriated to DPI from the ESSER Fund 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.

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

State school aid formula changes

Executive Budget Recommendation

Sections 15, 16, and 17 would provide the statutory changes to the state school aid formula included in the executive budget recommendation. Statutory changes would:

- Add or subtract 1.00 weighted student unit per student for increases or decreases, respectively, in fall enrollment as compared to the prior year spring average daily membership and provide for a 0.70 weighting factor deduction per student for school districts, paid based on fall enrollment during the 2022-23 school year, whose spring average daily membership for the 2022-23 school year is lower than the fall enrollment and for a 1.00 weighting factor deduction for school districts, paid based on fall enrollment, whose spring average daily membership is lower than the prior fall enrollment for school years after June 30, 2023;
- Increase the integrated per student payment rate from the current level of \$10,237 to \$10,646, effective for the 2023-24 school year, and to \$10,965, effective for the 2024-25 school year, to reflect integrated per student payment rate increases of 4 percent in the 1st year and 3 percent in the 2nd year of the 2023-25 biennium;
- Remove transition maximum limits on state school aid payments; and
- Update the year, from 2020 to 2022, used to determine the percentage of mills levied for sinking and interest relative to the total mills levied by the school district for all purposes. The percent is used to reduce local revenues deducted in the state school aid formula.

Senate Version