



# North Dakota Legislative Council

Prepared for the Senate Appropriations Committee

March 10, 2025

## MAJOR RELATED LEGISLATION AFFECTING THE DEPARTMENT OF PUBLIC INSTRUCTION AS OF CROSSOVER

This memorandum provides information on major related legislation affecting the Department of Public Instruction as of Crossover:

**House Bill No. 1024 - Deficiency** - This bill provides a deficiency appropriation for the 2023-25 biennium of \$30 million from federal funds to the Department of Public Instruction to increase federal funds authority which was reduced when the department transferred authority from the grants - other grants line item to the ESSER - school grants line item.

**House Bill No. 1130 - In lieu of property tax contribution** - This bill allows school districts an alternative method to calculate the in lieu of property tax contribution in the foundation aid formula. A fiscal note prepared by DPI indicates additional expenditures of \$12.5 million. Funding for this change is included in the House version of House Bill No. 1013.

**House Bill No. 1168 - Contribution from property taxes** - This bill reduces the contribution from property taxes in the state school aid integrated formula payment from 60 mills to 50 mills and adds a \$121 million allocation from the legacy earnings fund to state tuition fund to fund the additional cost. A fiscal note prepared by DPI indicates additional expenditures of \$120.7 million.

**House Bill No. 1214 - Transportation aid** - This bill changes the transportation aid payment calculation for school districts. A fiscal note prepared by DPI indicates additional expenditures of \$10 million. Funding for this change is included in the House version of House Bill No. 1013.

**House Bill No. 1369 - State school aid formula** - This bill increases per student payment rates by 2 percent each year of the biennium and allows for a rolling average calculation for average daily membership. The bill also transfers \$75 million from the foundation aid stabilization fund to the school construction assistance revolving loan fund. A fiscal note prepared by DPI indicates additional expenditures of \$100 million related to the foundation aid formula changes. Funding for the formula changes is included in the House version of House Bill No. 1013.

**House Bill No. 1381 - In lieu of property tax contribution** - This bill reduces the local in lieu of property tax contribution in the state school aid formula from 75 percent of eligible revenue to 65 percent of eligible revenue. A fiscal note prepared by DPI indicates additional expenditures of \$13.5 million. Funding for this change is included in the House version of House Bill No. 1013.

**House Bill No. 1476 - School district building assessments and maintenance** - This bill requires school districts conduct regular building assessments and requires DPI develop and maintain a system for tracking school district building assessments and maintenance. A fiscal note prepared by DPI indicates a system can be set up and maintained by DPI staff.

**House Bill No. 1540 - Education savings accounts** - This bill establishes education savings accounts at the Bank of North Dakota effective July 1, 2026; requires DPI to administer the accounts; and appropriates \$40 million from the general fund to the Bank of North Dakota for an education savings account program. A fiscal note prepared by DPI estimates additional expenditures of \$36.1 million in the second year of the 2025-27 biennium.

**Senate Bill No. 2104 - School district compliance with state law** - This bill requires the Superintendent of Public Instruction to review school districts to verify compliance with education-related state law. If a school district fails to comply with a corrective action within 30 days after the issuance of a written warning, the Superintendent of Public Instruction may impose sanctions against the school district, including deducting up to 2 percent of the total state payments to which a school district is entitled for that school year from the subsequent payment distribution.

**Senate Bill No. 2149 - Construction loan funding for air base schools** - This bill designates, until June 30, 2027, \$20 million from the school construction assistance revolving loan fund for matching funds for the construction of facilities on an air force base.

**Senate Bill No. 2213 - Kindergarten through grade 8 mathematics curriculum** - This bill provides \$1.2 million from the general fund to the Department of Public Instruction to support schools and regional education associations to improve kindergarten through grade 8 mathematics curriculum, instruction, and student achievement.

**Senate Bill No. 2234 - Choice ready grants** - This bill provides \$2 million from the general fund to the Department of Public Instruction to provide competitive choice ready grants to school districts.

**Senate Bill No. 2241 - Public charter schools** - This bill establishes public charter schools and requires the state provide funding to approved charter schools. A fiscal note prepared by DPI indicates the fiscal impact cannot be determined.

**Senate Bill No. 2262 - Kindergarten Through Grade Twelve Education Coordination Council** - This bill provides \$120,000 from the general fund to the Superintendent of Public Instruction for Kindergarten Through Grade Twelve Education Coordination Council contracts.

**Senate Bill No. 2275 - Kindergarten through grade 3 foreign language** - This bill provides \$49,500 from the general fund to the Department of Public Instruction for a pilot program to provide grants to schools providing instruction in a foreign language to students in kindergarten through grade 3.

**Senate Bill No. 2330 - Human trafficking and exploitation prevention and awareness education** - This bill provides \$48,000 from the general fund to the Superintendent of Public Instruction to implement human trafficking and exploitation prevention and awareness education.

**Senate Bill No. 2362 - Accreditation of schools** - This bill requires the Superintendent of Public Instruction to contract with an accreditation organization or vendor to create state-provided accreditation to offer to each public school district at no charge.

**Senate Bill No. 2367 - Agricultural land value** - This bill requires assessors to use modifiers to reduce the value of agricultural land. A fiscal note prepared by the Department of Public Instruction indicates the fiscal impact of the reduction in agricultural land value on the cost of the state school aid formula cannot be determined.

**Senate Bill No. 2400 - Education savings accounts** - This bill establishes an education savings account program; requires the Superintendent of Public Instruction administer the program; and appropriates \$3 million from the general fund to the Superintendent of Public Instruction to administer the program. A fiscal note prepared by the Department of Public Instruction indicates increased expenditures of \$58.1 million, including the \$3 million provided for administration.



**STATE SCHOOL AID, OTHER GRANTS, AND DEPARTMENT OF PUBLIC INSTRUCTION ADMINISTRATION  
2025-27 BIENNIUM BASE BUDGET AND REVISED EXECUTIVE BUDGET  
COMPARED TO THE 2025-27 BIENNIUM HOUSE VERSION**

	2025-27 Base Budget	2025-27 Revised Executive Budget	2025-27 House Version	2025-27 House Version Increase (Decrease) Compared to Base Budget	2025-27 House Version Increase (Decrease) Compared to Revised Executive Budget
<b>State school aid program</b>					
State school aid - Integrated formula payments	\$2,299,674,851	\$2,359,674,851	\$2,416,330,340	\$116,655,489	\$56,655,489
Transportation aid payments	58,100,000	58,100,000	63,500,000	5,400,000	5,400,000
Special education - Contracts	24,000,000	24,000,000	24,000,000	0	0
<b>Total - State school aid program</b>	<b>\$2,381,774,851</b>	<b>\$2,441,774,851</b>	<b>\$2,503,830,340</b>	<b>\$122,055,489</b>	<b>\$62,055,489</b>
General fund	\$1,699,921,765	\$1,632,097,501	\$1,694,152,990	(\$5,768,775)	\$62,055,489
Foundation aid stabilization fund	157,000,000	214,000,000	214,000,000	57,000,000	0
Strategic investment and improvements fund	13,993,086	0	0	(13,993,086)	0
State tuition fund	510,860,000	595,677,350	595,677,350	84,817,350	0
<b>Total - State school aid program</b>	<b>\$2,381,774,851</b>	<b>\$2,441,774,851</b>	<b>\$2,503,830,340</b>	<b>\$122,055,489</b>	<b>\$62,055,489</b>
<b>Program grants</b>					
Adult education matching grants	\$5,500,000	\$5,500,000	\$5,500,000	\$0	\$0
Adult education integrated education and training grants		0	0	0	0
School food services matching grants	1,380,000	1,380,000	1,380,000	0	0
Free meal program	6,000,000	4,500,000	4,500,000	(1,500,000)	0
Program grant pool, including leveraging the senior year	1,200,000			(1,200,000)	0
Leveraging the senior year		1,536,027	1,536,027	1,536,027	0
Building tomorrow's leaders		50,000	50,000	50,000	0
Family engagement		150,000	150,000	150,000	0
Paraprofessional-to-teacher program	3,000,000	3,000,000	3,000,000	0	0
Centers of excellence program			2,000,000	2,000,000	2,000,000
Science of reading and literacy instruction			1,000,000	1,000,000	1,000,000
Dyslexia identification training (one-time)		300,000	300,000	300,000	0
Reading learning platform training				0	0
Administrative cost-sharing reimbursement	125,000	125,000	0	(125,000)	(125,000)
Regional education association merger incentive grants				0	0
Amira reading tool (one-time)			500,000	500,000	500,000
Teacher retention program - Vital Network (one-time)		2,000,000	2,500,000	2,500,000	500,000
Indians into STEM			300,000	300,000	300,000
School board training (one-time)		1,500,000	1,500,000	1,500,000	0
<b>Total - Program grants</b>	<b>\$17,205,000</b>	<b>\$20,041,027</b>	<b>\$24,216,027</b>	<b>\$7,011,027</b>	<b>\$4,175,000</b>
General fund	\$9,125,000	\$8,161,027	\$11,836,027	\$2,711,027	\$3,675,000
Other funds - Foundation aid stabilization fund		3,800,000	4,300,000	4,300,000	500,000
Other funds - Strategic investment and improvements fund			0	0	0
Other funds - Public instruction fund/carryover	8,080,000	8,080,000	8,080,000	0	0
<b>Total - Program grants</b>	<b>\$17,205,000</b>	<b>\$20,041,027</b>	<b>\$24,216,027</b>	<b>\$7,011,027</b>	<b>\$4,175,000</b>
<b>Other grants - Other funds</b>					
Federal grants	\$382,513,893	\$409,513,893	\$412,219,602	\$29,705,709	\$2,705,709
Displaced homemaker program	225,000	225,000	225,000	0	0
<b>Total - Other grants - Other funds</b>	<b>\$382,738,893</b>	<b>\$409,738,893</b>	<b>\$412,444,602</b>	<b>\$29,705,709</b>	<b>\$2,705,709</b>
<b>Total state school aid and other grants - All funds</b>	<b>\$2,781,718,744</b>	<b>\$2,871,554,771</b>	<b>\$2,940,490,969</b>	<b>\$158,772,225</b>	<b>\$68,936,198</b>

	2025-27 Base Budget	2025-27 Revised Executive Budget	2025-27 House Version	2025-27 House Version Increase (Decrease) Compared to Base Budget	2025-27 House Version Increase (Decrease) Compared to Revised Executive Budget
<b>Agency administration</b>					
Administration - General fund	\$13,252,390	\$15,898,482	\$19,797,997	\$6,545,607	\$3,899,515
Administration - Other funds	39,505,695	43,730,589	43,545,390	4,039,695	(185,199)
Native American program and text book (one-time) - Foundation aid stabilization fund		950,000	950,000	950,000	0
Total - Agency administration	\$52,758,085	\$60,579,071	\$64,293,387	\$11,535,302	\$3,714,316
<b>Passthrough grants, PowerSchool, and national board certification</b>					
National writing projects	\$40,000	\$40,000	\$70,000	\$30,000	\$30,000
Rural art outreach project	425,000	425,000	425,000	0	0
Mentoring program/ND Rise	2,500,000	4,500,000	4,500,000	2,000,000	0
Governor's school grants	500,000	500,000	500,000	0	0
Science center grants (one-time)			10,000,000	10,000,000	10,000,000
"We the People" program	70,000	70,000	70,000	0	0
Cultural heritage grants/TeenPact	34,000	34,000	20,000	(14,000)	(14,000)
Robokind pilot project (one-time)			250,000	250,000	250,000
Innovation intermediary (one-time)		1,500,000	0	0	(1,500,000)
2Revolutions program (one-time)				0	0
Educational savings accounts		44,250,000		0	(44,250,000)
Total - Passthrough grants	\$3,569,000	\$51,319,000	\$15,835,000	\$12,266,000	(\$35,484,000)
Student information systems	5,775,000	5,775,000	5,775,000	0	0
National board certification	176,290	176,290	176,290	0	0
Total - Passthrough grants, student information systems, and national board certification	\$9,520,290	\$57,270,290	\$21,786,290	\$12,266,000	(\$35,484,000)
General fund	\$6,451,290	\$52,701,290	\$8,701,290	\$2,250,000	(\$44,000,000)
Other funds - Foundation aid stabilization fund		1,500,000	0	0	(1,500,000)
Other funds - Strategic investment and improvements fund			10,000,000	10,000,000	10,000,000
Other funds - Public instruction fund/carryover	3,069,000	3,069,000	3,085,000	16,000	16,000
Total - Passthrough grants, PowerSchool, and national board certification	\$9,520,290	\$57,270,290	\$21,786,290	\$12,266,000	(\$35,484,000)
<b>Total - Agency administration, passthrough grants, PowerSchool, and national board certification - All funds</b>	<b>\$62,278,375</b>	<b>\$117,849,361</b>	<b>\$86,079,677</b>	<b>\$23,801,302</b>	<b>(\$31,769,684)</b>
<b>Total Department of Public Instruction - All funds</b>	<b>\$2,843,997,119</b>	<b>\$2,989,404,132</b>	<b>\$3,026,570,646</b>	<b>\$182,573,527</b>	<b>\$37,166,514</b>
<b>Department of Public Instruction - Funding</b>					
Total - General fund	\$1,728,750,445	\$1,708,858,300	\$1,734,488,304	\$5,737,859	\$25,630,004
Total - Other funds	1,115,246,674	1,280,545,832	1,292,082,342	176,835,668	11,536,510
<b>Total Department of Public Instruction - All funds</b>	<b>\$2,843,997,119</b>	<b>\$2,989,404,132</b>	<b>\$3,026,570,646</b>	<b>\$182,573,527</b>	<b>\$37,166,514</b>
FTE positions	86.25	86.25	86.25	0.00	0.00