

**Department of Public Instruction
Budget No. 201
Senate Bill Nos. 2013, 2032, 2200, 2284, 2380, and 2398**

| | FTE Positions | General Fund | Other Funds | Total |
|--|----------------------|----------------------------------|----------------------------------|------------------------------|
| 2023-25 legislative appropriation | 86.25 | \$1,728,240,444 ¹ | \$1,127,419,496 ² | \$2,855,659,940 ³ |
| 2021-23 legislative appropriation | <u>86.25</u> | <u>1,658,396,873⁴</u> | <u>1,288,033,750⁵</u> | <u>2,946,430,623</u> |
| 2023-25 appropriation increase (decrease) to 2021-23 appropriation | 0.00 | \$69,843,571 | (\$160,614,254) | (\$90,770,683) |

¹This amount includes \$70,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$1,728,170,444.

²This amount includes \$12,737,000 of one-time funding. Excluding this amount, the agency's ongoing other funds appropriation is \$1,114,682,496.

³This amount does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

⁴This amount included \$200,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation was \$1,658,196,873.

⁵This amount included \$349,800,480 of one-time funding, including \$326,200,480 from federal Elementary and Secondary School Emergency Relief (ESSER) Fund allocations. Excluding this amount, the agency's ongoing other funds appropriation was \$938,233,270.

Item Description

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, including \$45.1 million from the general fund and \$37.4 million from other funds, to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

New and vacant FTE funding pool - The Legislative Assembly reduced the 2023-25 biennium appropriation authority for DPI by \$789,815, of which \$295,820 was from the general fund and \$493,995 was from other funds for the new and vacant FTE funding pool. The reduction is related to estimated vacant salary savings.

One-time funding - The Legislative Assembly provided \$12,807,000 of one-time funding to DPI, of which \$70,000 is from the general fund and \$12,737,000 is from other funds, in the following bills:

Senate Bill No. 2013

- **Regional education association grants** - The Legislative Assembly, in Section 2 of Senate Bill No. 2013, identified one-time funding of \$70,000 from the general fund for a \$35,000 grant to each regional education association that merges with another regional education association to form a single entity with a single governing board during the 2023-25 biennium. The Legislative Assembly provided for

Status/Result

The Department of Public Instruction (DPI) received \$1,095,076 for targeted market equity increases, of which \$562,998 was from the general fund and \$532,078 was from other funds. Equity increases were provided to 69 employees.

The department has received \$552,870 from the new and vacant FTE funding pool, of which \$207,074 is from the general fund and \$345,796 is from other funds, to fill 3 vacant FTE positions, including a web communications specialist, an assistant director, and a special education regional coordinator. Through January 2024, the department had estimated vacant FTE position savings of \$272,594. The department reported 5 vacant FTE positions each month through January 2024, resulting in an average monthly vacancy rate of 5 FTE positions.

The following is the status of one-time funding provided to DPI:

Regional education association grants - The Roughrider Education Services Program in Dickinson and Great Northwest Education Cooperative in Williston will merge to create the Western Education Regional Cooperative. Each regional education association will receive \$35,000 pursuant to Section 9 of Senate Bill No. 2013.

the distribution of regional education association merger grants in Section 9 of Senate Bill No. 2013.

- **School board training grants** - The Legislative Assembly, in Section 2 of Senate Bill No. 2013, identified one-time funding of \$1.5 million from special funds, made available from general fund carryover deposited in the department's operating fund, for school board training grants. In addition, DPI anticipated obligating \$1.25 million of ESSER Fund state discretionary funding for school board training to provide a total of \$2.75 million for school board training.
- **Statewide reading tool** - The Legislative Assembly, in Section 2 of Senate Bill No. 2013, identified one-time funding of \$1.6 million from special funds, made available from general fund carryover deposited in the department's operating fund, to make available the Amira reading tool for all students in grades 1 through 3 and for certain students in grades 4 through 12.
- **Statewide teacher retention program** - The Legislative Assembly, in Section 2 of Senate Bill No. 2013, identified one-time funding of \$2.3 million from special funds, made available from general fund carryover deposited in the department's operating fund, to make a teacher retention program available statewide.
- **Science center grants** - The Legislative Assembly, in Section 2 of Senate Bill No. 2013, identified one-time funding of \$5.5 million from the strategic investment and improvements fund (SIIF) for passthrough grants to the Grand Forks Science Center (\$5 million) and the Fargo Science Center (\$500,000).

Senate Bill No. 2284

- **Science of reading and literacy instruction program** - The Legislative Assembly, in Section 18 of Senate Bill No. 2284, identified one-time funding of \$1,000,000 from special funds, made available from general fund carryover deposited in the department's operating fund, to support professional learning related to the science of reading and to implement systematic direct literacy instruction. In addition, DPI anticipated obligating \$1,291,000 of ESSER Fund state

School board training grants - Through March 2024, 40 school districts have participated in the school board training program and the department anticipates an additional 30 school districts will participate during the remainder of the biennium. The department plans to use ESSER Fund state discretionary funding for school board training during the 1st year of the biennium and carryover funding during the 2nd year of the biennium. Through March 2024, the department has used \$310,575 of ESSER Fund state discretionary funding for school board training and an additional \$298,482 of federal funding is obligated. The department anticipates using a total of \$609,057 of ESSER Fund state discretionary funding and the \$1.5 million provided from carryover during the 2023-25 biennium.

Statewide reading tool - Through March 2024, 107 school districts and 45,540 eligible students have signed up for the Amira reading tool. The department anticipates an additional 13 school districts, and 9,460 eligible students will participate during the remainder of the biennium. Through March 2024, the department has spent \$776,440 of carryover funds for the statewide reading tool and anticipates the remaining funds will be expended during the 2023-25 biennium.

Statewide teacher retention program - The teacher retention program consists of a teacher survey and a team to assist school districts in making positive working condition changes. Through March 2024, 4,308 educators participated in the statewide teacher retention program. The department anticipates an additional 2,154 educators will participate during the remainder of the biennium. Through March 2024, the department has spent \$1,036,800 of carryover funds for the statewide teacher retention program and anticipates the remaining funds will be expended during the 2023-25 biennium.

Science center grants - As of March 2024, the department has distributed passthrough grants to the Grand Forks Science Center (\$5 million) and the Fargo Science Center (\$500,000).

Science of reading and literacy instruction program - The science of reading and literacy instruction program provides funding to a regional education association to provide reading and literacy training and to school districts for additional expenses related to teachers attending the training. Through March 2024, 1,031 educators participated in the science of reading and literacy instruction program. The department anticipates an additional 1,300 educators will participate during the remainder of the biennium. The department plans to use ESSER Fund state discretionary funding for the science of reading and

discretionary funding to the science of reading and literacy instruction program to provide a total of \$2,291,000 for the science of reading and literacy instruction program.

- **Dyslexia identification training program** - The Legislative Assembly, in Section 19 of Senate Bill No. 2284, identified one-time funding of \$279,000 from special funds, made available from general fund carryover deposited in the department's operating fund, to provide training in identification of dyslexia characteristics.
- **Reading learning platform training program** - The Legislative Assembly, in Section 20 of Senate Bill No. 2284, identified one-time funding of \$558,000 from special funds, made available from general fund carryover deposited in the department's operating fund, to provide training in a reading learning platform approved by the Superintendent of Public Instruction.

literacy instruction program during the 1st year of the biennium and carryover funding during the 2nd year of the biennium. Through March 2024, the department has used \$421,498 of ESSER Fund state discretionary funding and \$11,988 of carryover funding for the science of reading and literacy instruction program. In addition, \$567,252 of the federal funding is obligated. The department anticipates using a total of \$988,750 of ESSER Fund state discretionary funding and \$1 million provided from carryover during the 2023-25 biennium.

Dyslexia identification training program - The dyslexia identification training program provides funding to school districts for expenses related to teachers attending dyslexia training. Through March 2024, 259 educators participated in the dyslexia identification training program. The department anticipates an additional 241 educators will participate during the remainder of the biennium. Through March 2024, the department has spent \$54,967 of carryover funds for the dyslexia identification training program and anticipates the remaining funds will be expended during the 2023-25 biennium.

Reading learning platform training program - The reading learning platform training program provides funding to school districts for expenses related to teachers attending reading learning platform training. Through March 2024, 124 school districts and 230 educators have participated in the reading learning platform training program and the department anticipates approximately the same number of school districts and educators will participate during the remainder of the biennium. Through March 2024, the department has spent \$43,741 of the carryover funds for the reading learning platform training program and anticipates the remaining funds will be expended during the 2023-25 biennium.

2021-23 biennium appropriation carryover - Including federal COVID-19 funding - The Legislative Assembly, in Section 13 of Senate Bill No. 2013 and Section 21 of Senate Bill No. 2284, provided 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 Office of Management and Budget must continue up to \$18,386,000 of general fund authority and transfer the funding to the public instruction fund for the purpose of funding professional learning related to the science of reading and implementing systematic direct literacy instruction, training in the identification of dyslexia characteristics, training in a reading learning platform approved by the Superintendent, and various other program and passthrough grants during the 2023-25 biennium.

The Legislative Assembly, in Section 15 of Senate Bill No. 2013, provided up to \$10 million of special funds, appropriated from the public instruction fund in Section 17 of Chapter 549 of the 2021 Special Session Laws, derived from reimbursements withheld from school districts' integrated formula payments for the purpose of information technology project upgrades to the state automated reporting system (STARS) and the statewide longitudinal data system (SLDS), may be continued into the 2023-25 biennium for the purpose of continuing the upgrades. The department will retain \$5 million for STARS upgrades and must transfer any funding continued in excess of \$5 million to the Information Technology Department for SLDS upgrades.

The Legislative Assembly, in Section 14 of Senate Bill No. 2013, provided COVID-19-related funds appropriated to DPI from the ESSER Fund, the federal State Fiscal Recovery Fund, and other federal funds during the 2021-23 biennium are not subject to the provisions of North Dakota Century Code Section 54-44.1-11 and may be continued into the 2023-25 biennium. The department estimated federal COVID-19 funding to be continued into the 2023-25 biennium as follows:

| | Federal COVID-19 Funds Estimated to be Continued into the 2023-25 Biennium |
|---|--|
| ESSER Fund distribution - Grants allocated to school districts - House Bill No. 1395 (2021) | \$90,730,171 |
| ESSER Fund distribution - DPI - State discretionary - (2021 HB 1395) | 15,526,688 ¹ |
| Individuals with Disabilities Education Act grant - (2021 HB 1395) | 3,882,569 |
| Emergency Assistance to Non-Public Schools program grant - (2021 HB 1395) | 5,140,695 |
| Education for Homeless Children and Youth program grant - (2021 HB 1395) | 1,499,661 |

General fund authority continued and transferred to the public instruction fund - Through March 2024, the department has expended \$4,827,445 of carryover funding deposited in the public instruction fund. See sections on **one-time funding** and **program grants, including the program grant pool, and passthrough grants** for expenditure details.

Special fund authority continued for STARS and SLDS upgrades - The department continued \$9,780,703 of special fund authority related to the STARS and SLDS upgrades to the 2023-25 biennium. Through March 2024, the department has expended \$81,144 and transferred \$4,780,703 of the carryover funding to the Information Technology Department for the SLDS upgrades. The department anticipates issuing a request for proposal for the project in May 2024 and awarding the contract in July 2024. The department anticipates expenditures during the remainder of the biennium will total \$518,856 and the remaining funding of \$4.4 million will be continued into the 2025-27 biennium to complete the project.

Federal fund authority continued into the 2023-25 biennium - The department continued \$180,553,523 of federal fund authority from the ESSER Fund, the State Fiscal Recovery Fund, and other federal funds from the 2021-23 biennium to the 2023-25 biennium. The department has indicated federal funds carryover available during the 2023-25 biennium are as follows:

| | Federal COVID-19 Funds Continued into the 2023-25 Biennium | Federal COVID-19 Funds Expended Through March 2024 |
|---|--|--|
| ESSER Fund distribution - Grants allocated to school districts (2021 HB 1395) | \$147,162,883 ¹ | \$77,360,926 ³ |
| ESSER Fund distribution - DPI - State discretionary (2021 HB 1395) | 23,636,642 ² | 7,951,946 ³ |
| Individuals with Disabilities Education Act grant (2021 HB 1395) | 3,038,505 | 1,713,764 |
| Emergency Assistance to Non-Public Schools program grant (2021 HB 1395) | 3,771,583 | 232,182 |
| Education for Homeless Children and Youth program grant (2021 HB 1395) | 1,151,980 | 231,202 |

| | |
|---|----------------------|
| Federal State Fiscal Recovery Fund (previously Coronavirus Capital Projects Fund) - Grant to a children's science center in Minot - (2021 HB 1015), amended by (2021 HB 1505) | 2,071,404 |
| Total | \$118,851,188 |

¹The department anticipated obligating \$15,526,000 of ESSER Fund state discretionary funding for the following programs during the 2023-25 biennium:

- \$4,151,000 for state literacy programs;
- \$1,906,000 for after school programs;
- \$825,000 for the greater math program;
- \$600,000 for cybersecurity training, pursuant to House Bill No. 1398;
- \$1,250,000 for school board training; in addition, the Legislative Assembly provided \$1,500,000 of one-time funding from special funds, made available from general fund carryover deposited in the department's operating fund to provide a total of \$2,750,000 for school board training;
- \$1,141,000 for the paraprofessional-to-teacher program; in addition, the Legislative Assembly provided \$3,000,000 from the general fund in Senate Bill No. 2032 for the paraprofessional-to-teacher program to provide a total of \$4,141,000 for the paraprofessional-to-teacher program;
- \$1,291,000 for the science of reading and literacy instruction program; in addition, the Legislative Assembly provided \$1,000,000 of one-time funding from special funds, made available from general fund carryover deposited in the department's operating fund to provide a total of \$2,291,000 for the science of reading and literacy instruction program;
- \$125,000 for an administrative cost-sharing reimbursement program; in addition, the Legislative Assembly provided \$125,000 from the general fund in Senate Bill No. 2380 for an administrative cost-sharing reimbursement program to provide a total of \$250,000 for an administrative cost-sharing reimbursement program; and
- \$4,237,000 to be transferred to the Department of Health and Human Services for early learning programs.

| | | |
|---|----------------------|---------------------|
| Governor's Emergency Education Relief funding | 953,817 | 831,658 |
| State Fiscal Recovery Fund (previously Coronavirus Capital Projects Fund) - Grant to a children's science center in Minot (2021 HB 1015), amended by (2021 HB 1505) | 838,113 | 838,113 |
| Total | \$180,553,523 | \$89,159,791 |

¹In March 2024 DPI received Budget Section approval to transfer \$85 million from the grants - other grants line item to the emergency education relief - schools line item to reimburse school districts for ESSER Fund eligible expenditures.

²The department anticipates spending ESSER Fund state discretionary funding for the following programs during the 2023-25 biennium:

- \$3,073,643 for state literacy programs;
- \$2,727,502 for after school programs;
- \$801,278 for the greater math program;
- \$600,000 for cybersecurity training;
- \$609,057 for school board training, in addition to \$1,500,000 of one-time funding from special funds made available from general fund carryover deposited in the department's operating fund;
- \$900,172 for the paraprofessional-to-teacher program, in addition to \$3,000,000 from the general fund in Senate Bill No. 2032 for the paraprofessional-to-teacher program;
- \$988,750 for the science of reading and literacy instruction program, in addition to \$1,000,000 of one-time funding from special funds, made available from general fund carryover deposited in the department's operating fund;
- \$16,200 for an administrative cost-sharing reimbursement program, in addition to \$125,000 from the general fund in Senate Bill No. 2380 for an administrative cost-sharing reimbursement program;
- \$1,890,001 transferred to the Department of Health and Human Services for early learning programs;
- \$1,483,900 for Stronger Connections;
- \$628,000 Waterford Upstart;
- \$1,266,700 for Choice Read grants;
- \$768,250 for the Ignite Conference;
- \$535,400 for State Parks Summer Learning;
- \$532,540 for Priority Standards;
- \$1,068,400 for High Quality Instructional Materials; and
- \$5,746,849 for other programs funded at less than \$500,000 each.

³Funds must be obligated by September 30, 2024. The department will be requesting a liquidation extension from the United States Department of Education which would allow for the payment of obligations through March 2026.

State school aid - Integrated formula payments, transportation aid, and special education contracts - The Legislative Assembly appropriated \$2,381,774,851, of which \$1,699,921,765 is from the general fund, \$157,000,000 is from the foundation aid stabilization fund, \$510,860,000 is from the state tuition fund, and \$13,993,086 is from SIIF, for state school aid, including integrated formula payments, transportation aid, and special education contracts. This level of funding represents an increase of \$164,849,851, including increases in funding of \$13,545,500 from the foundation aid stabilization fund, \$77,840,000 from the state tuition fund,

The department estimates payments for integrated formula payments during the 1st year of the biennium, not including transportation and special education, to be approximately \$1,093.1 million, \$21.4 million less than appropriated. The department estimates integrated formula payments for the 2nd year of the biennium to be approximately \$1,139.5 million, \$35.3 million less than appropriated. This results in excess funding of approximately \$56.7 million for the 2023-25 biennium. Expenditures for integrated formula payments are less than estimated due to on-time funding adjustments, lower enrollments, and higher local property tax and local revenues than anticipated in the budget. There is no

\$13,993,086 from SIIF, and \$59,471,265 from the general fund, from the 2021-23 legislative appropriation of \$2,216,925,000.

The legislative appropriation for the state school aid program integrates property tax relief in the K-12 state school aid funding formula. The formula provides the state will determine an adequate base level of support necessary to educate students by applying an integrated payment rate to the weighted student units. For the 2023-25 biennium, the integrated payment rates are increased 4 percent each year of the biennium to provide \$10,646 during the 1st year of the biennium and \$11,072 during the 2nd year of the biennium. This base level of support will be provided through a combination of local tax sources, local revenue, and state integrated formula payments. The local funding requirement is set at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources is provided by the state through the integrated formula payment. In addition, school districts are allowed an additional 10-mill levy for general fund purposes, an additional 12-mill levy for miscellaneous purposes, and a 3-mill levy for a special reserve fund.

The Legislative Assembly provided an appropriation of \$2,299,674,851, of which \$1,617,821,765 is from the general fund, \$157,000,000 is from the foundation aid stabilization fund, \$510,860,000 is from the state tuition fund, and \$13,993,086 is from SIIF, for state school aid for integrated formula payments. This level of funding represents an increase of \$167,849,851, including increases in funding of \$62,471,265 from the general fund, \$13,545,500 from the foundation aid stabilization fund, \$77,840,000 from the state tuition fund, and \$13,993,086 from SIIF, from the 2021-23 biennium appropriation for integrated formula payments of \$2,131,825,000.

Transportation aid grants - The Legislative Assembly provided \$58.1 million from the general fund for transportation aid during the 2023-25 biennium, the same as the 2021-23 biennium. This level of funding will allow reimbursement rates to remain the same as the 2021-23 biennium rates set in statute. The Legislative Assembly, in House Bill No. 1027 (2021), codified student transportation aid payment sections as the provisions existed on June 30, 2001, updated provisions to reflect current practices and reimbursement rates, and prohibited school districts from receiving transportation reimbursement for certain students participating in open enrollment and tuition waiver agreements. Section 15.1-27-26.1 provides reimbursement rates of:

- \$1.11 per mile for schoolbuses having a capacity of 10 or more passengers.
- \$0.52 per mile for vehicles having a capacity of nine or fewer passengers.
- \$0.50 per mile round trip for family transportation of a student with a disability whose individualized education program plan requires that

provision to distribute funding in excess of obligations for the integrated formula payments remaining at the end of the 2023-25 biennium. Therefore, excess funding will not be spent and will be a part of DPI's general fund turnback. See the **transportation aid grants** and **special education contracts** sections below.

Pursuant to Section 15.1-27-31.1, the Superintendent of Public Instruction may not distribute more than one-half of the amount appropriated for transportation grants for any biennium in the 1st year of the biennium. If total transportation reimbursement claims exceed the amount appropriated by the Legislative Assembly, the Superintendent must reduce transportation reimbursements on a prorated basis for all school districts requesting reimbursements. The department estimates transportation aid grant applications during the 1st year of the biennium will be approximately \$4.1 million less than the \$29.05 million allocated. The department estimates transportation aid grant applications for the 2nd year of the biennium will also be approximately \$4.1 million less than the \$29.05 million allocated, resulting in an estimated \$8.2 million general fund turnback related to transportation aid grant funding provided for the 2023-25 biennium. Transportation aid grants are less than anticipated because transportation is no longer reimbursed for open enrolled students. In addition, a temporary provision allowing school districts to be reimbursed using the greater of 2018-19 school year miles and rides or prior year miles and rides expired after the 2022-23 school year.

the student attend a school outside the student's school district of residence.

- \$0.50 per mile one way for family transportation if the student lives more than two miles from the public school the student attends.
- \$0.30 per student for each one-way trip.

Special education contracts - The Legislative Assembly provided \$24 million from the general fund for special education contracts during the 2023-25 biennium. This level of funding is \$3 million less than 2021-23 biennium funding of \$27 million from the general fund. The Legislative Assembly, in Section 6 of Senate Bill No. 2013, provided the Superintendent of Public Instruction may expend funds provided for integrated formula payments and grants - special education contracts during the 2023-25 biennium for paying grants for educational services that were due in the 2021-23 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2023. To be reimbursed under this section, claims must be properly supported and filed with the Superintendent by June 30, 2024. In addition to special education contracts, the state school aid formula provides approximately \$255.7 million through the integrated formula payments line item for special education and prekindergarten special education average daily membership and weighting factors.

Program grants, including the program grant pool, and passthrough grants - The Legislative Assembly provided a total of \$33,581,000 from the general fund, SIIF, and special funds, made available from general fund carryover deposited in the department's operating fund, for programs administered by DPI (\$24,512,000), including a program grant pool, and passthrough grants (\$9,069,000). This level of funding is \$9,693,936 more than the 2021-23 biennium appropriation for program and passthrough grants of \$23,887,064, provided from special funds made available from continuing unexpended 2019-21 biennium integrated formula payment funding and depositing the funding in the department's operating fund.

The 2023-25 biennium program grant pool provides a flexible funding pool of \$1.2 million for initiatives and various program grants. This level of funding for the program grant pool is \$300,000 more than the 2021-23 biennium appropriation of \$900,000 for the program grant pool. The Legislative Assembly provided the increased funding for the leveraging the senior year program. Funding is provided in the program grant pool for leveraging the senior year, a leadership program, and family engagement initiatives.

The student contract system reimburses school districts for high-cost students and students that are in placement for reasons other than education. Placements into a residential facility may be made by parents or by a placing agency. School districts are responsible for the statewide average cost per student for placements by a placing agency or parent (\$14,020 for grades 1 through 8 and \$15,053 for grades 9 through 12 during the 2023-24 school year). School districts are responsible for four times the statewide average cost per student for school placements. Special education contract costs exceeding these limits are reimbursed by the state.

The department estimates special education contract obligations will total \$11.8 million during the 1st year of the biennium and \$12.2 million for the 2nd year of the biennium. The department anticipates all funding provided for special education contract obligations will be expended. The department has not determined if a deficiency appropriation will be needed to meet the state's obligation for special education contracts during the 2023-25 biennium.

The Legislative Assembly provided \$9,695,000 from the general fund and \$5,500,000 from SIIF for the purpose of providing certain program and passthrough grants during the 2023-25 biennium. In addition, the Legislative Assembly allowed the department to continue \$18,386,000 of general fund authority from the 2021-23 biennium integrated formula payment line item and transfer the funding to the public instruction fund for the purpose of providing certain other program and passthrough grants.

The following is a summary of program grants, including the program grant pool:

| | General Fund | Other Funds | Total |
|---|--------------------|---------------------------------|------------------------|
| Adult education matching grants | | \$5,500,000 | \$5,500,000 |
| Program grant pool | | 1,200,000 | 1,200,000 |
| School food services matching grants | | 1,380,000 | 1,380,000 |
| Free breakfast program | | 0 | 0 |
| Free meal program | \$6,000,000 | | 6,000,000 |
| Paraprofessional-to-teacher program | 3,000,000 | | 3,000,000 ² |
| Administrative cost-sharing reimbursement | 125,000 | | 125,000 ² |
| One-time funding for regional education association merger incentive grants | 70,000 | | 70,000 |
| One-time funding to provide the Amira reading tool statewide | | 1,600,000 | 1,600,000 |
| One-time funding for a statewide teacher retention program | | 2,300,000 | 2,300,000 |
| One-time funding for school board training grants | | 1,500,000 | 1,500,000 ² |
| One-time funding for science of reading and literacy instruction | | 1,000,000 | 1,000,000 ² |
| One-time funding for dyslexia identification training | | 279,000 | 279,000 |
| One-time funding for reading learning platform training | | 558,000 | 558,000 |
| Total | \$9,195,000 | \$15,317,000¹ | \$24,512,000 |

¹Special funds derived from general fund carryover deposited in the department's operating fund.

²In addition to funding appropriated by the Legislative Assembly from the general fund and from carryover general funds, DPI has obligated ESSER funding continued from the 2021-23 biennium to provide additional funding for the paraprofessional-to-teacher program, administrative cost-sharing reimbursement, school board training, and science of reading and literacy instruction. See the section regarding **2021-23 biennium appropriation carryover - Including federal COVID-19 funding** for details regarding additional funding obligated for these programs.

Below are the expenditures related to program grants and the program grant pool through March 2024.

| Program | 2023-25 Biennium Appropriation | Expenditures through March 2024 |
|---|---------------------------------|---------------------------------|
| Program grant pool: | | |
| Leveraging the senior year | \$1,000,000 | \$11,776 |
| Family engagement | 150,000 | 0 |
| Building tomorrow's leaders | 50,000 | 3,694 |
| Total program grant pool | \$1,200,000 | \$15,470 |
| Adult education matching grants | 5,500,000 | 1,538,708 |
| School food services matching grants | 1,380,000 | 351,581 |
| Free meal program | 6,000,000 | 1,057,361 |
| Paraprofessional-to-teacher program | 3,000,000 | 150,691 |
| Administrative cost-sharing reimbursement | 125,000 | 0 |
| One-time funding for regional education association merger incentive grants | 70,000 | 0 |
| One-time funding to provide the Amira reading tool statewide | 1,600,000 | 776,440 |
| One-time funding for a statewide teacher retention program | 2,300,000 | 1,036,800 |
| One-time funding for school board training grants | 1,500,000 | 0 |
| One-time funding for science of reading and literacy instruction | 1,000,000 | 11,988 |
| One-time funding for dyslexia identification training | 279,000 | 54,967 |
| One-time funding for reading learning platform training | 558,000 | 43,741 |
| Total 2023-25 biennium program grants | \$24,512,000¹ | \$5,037,747 |

¹Except for funding related to the free meal program and leveraging the senior year, the department anticipates all program grant funding will be spent during the 2023-25 biennium. See the **free meal program** section below.

The following is a summary of passthrough grants:

| | General Fund | Other Funds | Total |
|--|--------------|-------------|-------------|
| Mentoring program | | \$2,500,000 | \$2,500,000 |
| National writing projects | | 40,000 | 40,000 |
| Rural art outreach project | | 425,000 | 425,000 |
| Governor's school grants | \$500,000 | | 500,000 |
| "We the People" program | | 70,000 | 70,000 |
| Cultural heritage grants | | 34,000 | 34,000 |
| One-time funding for a grant to the Grand Forks Science Center | | 5,000,000 | 5,000,000 |

Through March 2024, DPI has provided the following passthrough grants:

| Passthrough Grant | 2023-25 Biennium Appropriation | Expenditures through March 2024 |
|---------------------------------|--------------------------------|---------------------------------|
| Mentoring program | \$2,500,000 | \$500,000 |
| Northern Plains Writing Project | 20,000 | 0 |
| Red River Writing Project | 20,000 | 2,750 |
| Rural art outreach project | 425,000 | 425,000 |
| Governor's school grants | 500,000 | 0 |
| "We the People" program | 70,000 | 70,000 |
| Cultural heritage grants | 34,000 | 0 |

| | | | |
|--|-----------|--------------------------|-------------|
| One-time funding for a grant to the Fargo Science Center | | 500,000 | 500,000 |
| Total | \$500,000 | \$8,569,000 ¹ | \$9,069,000 |

¹Except for one-time funding of \$5,500,000 for grants to the Grand Forks Science Center and the Fargo Science Center provided from SIIF, the remaining passthrough grants totaling \$3,069,000 are provided from special funds derived from general fund carryover deposited in the department's operating fund.

Free meal program - The Legislative Assembly, in Section 17 of Senate Bill No. 2284, provided \$6 million from the general fund for grants to school districts to defray the expenses of providing meals, free of charge, for all students enrolled in public or nonpublic school at or below 200 percent of the federal poverty guideline. The Superintendent of Public Instruction is required to develop guidelines and reporting requirements for the grants.

School safety and security - The Legislative Assembly, in House Bill No. 1337, created Section 15.1-07-36 which requires school districts to report annually to the Superintendent of Public Instruction regarding school safety and security measures and for the Superintendent to report to the Legislative Management.

Cybersecurity instruction - The Legislative Assembly, in House Bill No. 1398 required DPI to provide grants to school districts, nonpublic schools, area career and technology centers, Job Service North Dakota workforce centers, public libraries, and adult education centers for computer operations and cybersecurity courses for adults. A fiscal note prepared by DPI indicated funding from the ESSER Fund will be used to implement virtual computer science and cybersecurity courses and to provide grants for adult learning. The department anticipated obligating \$600,000 of ESSER Fund state discretionary funding for cybersecurity instruction.

Paraprofessionals-to-teacher program - The Legislative Assembly, in Senate Bill No. 2032, provided an appropriation of \$3,000,000 from the general fund to DPI for grants to accredited institutions of higher education to

| | | |
|--|--------------------|--------------------|
| One-time funding for a grant to the Grand Forks Science Center | 5,000,000 | 5,000,000 |
| One-time funding for a grant to the Fargo Science Center | 500,000 | 500,000 |
| Total 2023-25 biennium passthrough grants | \$9,069,000 | \$6,497,750 |

The department indicated that through February 2024, there were 1,931 students qualified for free meals pursuant to the state's expanded eligibility guidelines from 186 to 200 percent of the federal poverty level. In addition, 7,400 students qualified for reduced price meals under the federal guidelines and now qualify for free meals. Through March 2024, expenditures related to the free meal program totaled \$1,057,361. The department anticipates federal reimbursement rates will increase July 1, 2024, resulting in a 5 percent increase in expenditures during the 2nd year of the biennium. The department estimates expenditures related to the free meal program will total approximately \$3,200,000 during the 2023-25 biennium, approximately \$2,800,000 less than estimated.

Section 15.1-07-36 requires school districts to provide an annual report to the Superintendent of Public Instruction before December 1st regarding the categories and amounts spent on school safety and security measures during the previous school year. The report related to the 2022-23 school year was due November 30, 2023. The department presented the information reported by each school district to the Education Committee in December 2023. Statewide, school districts reported safety and security expenditures totaling \$23.4 million, including \$8.1 million for remodeling and capital expenditures, \$6.7 million for security technology and equipment, \$5.8 million for security personnel, \$2.4 million for security planning and emergency preparedness, and \$400,000 for other safety and security expenditures, including background checks, security contracts, and fire protection equipment maintenance. Reports related to the 2023-24 school year are due September 15, 2024.

The department allocated \$600,000 of funding from the ESSER Fund to the Center for Distance Education for cybersecurity training, including course development. The federal funds must be obligated by September 30, 2024. Through March 2024, the center has spent \$33,602. The center anticipates approximately \$200,000 of the funding may not be utilized.

In 2020, the department used federal special education funding to create a paraprofessional-to-teacher pilot program for special education paraprofessionals. The program partially funded instructors, tuition, and

assist paraprofessionals to become qualified teachers. The department may award up to \$20,000 to each qualifying institution for program startup and other administrative costs and the remainder of the appropriation may be used only for tuition and scholarships for students enrolled in the program. In addition, DPI anticipated obligating \$1,141,000 of ESSER Fund state discretionary funding for the paraprofessional-to-teacher program to provide a total of \$4,141,000 for the program.

mentoring for 10 teacher candidates at Minot State University.

In 2022, the department used ESSER Fund state discretionary funding to support additional paraprofessional-to-teacher programming at Minot State University (48 teacher candidates), Valley City State University (50 teacher candidates), and the University of Mary (32 teacher candidates). Funding was provided for tuition and startup costs at Valley City State University and the University of Mary.

The department partnered with the Governor's office to establish a 4th paraprofessional-to-teacher program through the Western Governors University. Funded by federal funds provided from the Governor's Emergency Education Relief (GEER) Fund, the program supports tuition for 40 teacher candidates. The department has continued \$953,817 of funding from the GEER Fund into the 2023-25 biennium, most of which is available for the paraprofessional-to-teacher program.

Through March 2024, the department has used \$150,691 of funding from the general fund and \$439,099 of ESSER Fund state discretionary funding to assist paraprofessionals to become qualified teachers. An additional \$461,073 of federal funding is obligated. The department anticipates using a total of \$900,172 of ESSER Fund state discretionary funding. In addition, the \$3 million provided from the general fund was allocated by December 2023 for startup costs and tuition. The program will fund 230 paraprofessionals from 60 school districts at 10 participating universities.

In December 2022, the United States Department of Labor approved the state's registered apprenticeship program for teachers. In July 2023, DPI received grant awards from the United States Department of Labor for the program and in September 2023, the Budget Section approved DPI's request to accept and expend state apprenticeship expansion formula grants totaling \$4,031,338. The grants, which extend through June 2026, provide funding for tuition, administrative costs, and a contract with the National Center for Grow Your Own to provide support. In January 2024, the 1st round of funding was provided to Valley City State University, Mayville State University, University of Mary, and Certification Central. The apprenticeship program is anticipated to assist 147 paraprofessionals to get teaching degrees.

The department plans to use ESSER Fund state discretionary funding for the administrative cost-sharing reimbursement program during the 1st year of the biennium and funding from the general fund during the 2nd year of the biennium. Through March 2024, the department has used \$16,200 of ESSER Fund state discretionary funding for the administrative cost-sharing reimbursement program. The department anticipates funding from the general fund may be used during the 2023-25 biennium; however, is uncertain how many eligible school districts and special education units will take advantage of the program.

Administrative cost-sharing reimbursement program - The Legislative Assembly, in Senate Bill No. 2380, extended the administrative cost-sharing reimbursement program through June 30, 2026, and appropriated \$125,000 from the general fund to DPI to provide administrative cost-sharing reimbursements to eligible school districts and special education units. In addition, DPI anticipated obligating \$125,000 of ESSER Fund state discretionary funding for the administrative cost-sharing reimbursement program to provide a total of \$250,000 for the administrative cost-sharing reimbursement program.

School construction loans and school construction loan interest rate buydown program - The Legislative Assembly, in Senate Bill No. 2272 (2017), consolidated school construction loans in the school construction assistance revolving loan fund, which is to be administered by the Bank of North Dakota. The bill provided for a transfer of \$75 million from the foundation aid stabilization fund to the school construction assistance revolving loan fund, of which up to \$50 million must be used to repay the Bank for certain outstanding loans. All school construction loans made through the Department of Trust Lands school construction loan fund program, approximately \$143 million, were transferred to the school construction assistance revolving loan fund during the 2017-19 biennium and, as of October 2022, all interest rate buydown loans held by the Bank were repaid by the school construction assistance revolving loan fund.

The Legislative Assembly, in Senate Bill No. 2214 (2019), provided for a transfer of an additional \$75 million from the foundation aid stabilization fund to the school construction assistance revolving loan fund during the 2019-21 biennium. In 2023, the Legislative Assembly, in Senate Bill No. 2284, provided for the transfer of an additional \$75 million from the foundation aid stabilization fund to the school construction assistance revolving loan fund.

As of March 2024, outstanding loans in the school construction assistance revolving loan fund totaled \$312.8 million and assets of the fund totaled \$392.1 million. Funding available in the school construction assistance revolving loan fund for new loans totaled \$76.5 million, of which \$65 million has been committed.