

**Department of Public Instruction  
Budget No. 201  
House Bill No. 1013; Senate Bill Nos. 2213, 2262, and 2275**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2025-27 legislative appropriation	86.25	\$1,709,617,438 <sup>1</sup>	\$1,302,410,686	\$3,012,028,124
2023-25 legislative appropriation	<u>86.25</u>	<u>1,728,820,445</u>	<u>1,157,983,674<sup>2</sup></u>	<u>2,886,804,119</u>
2025-27 appropriation increase (decrease) to 2023-25 appropriation	0.00	(\$19,203,007)	\$144,427,012	\$125,224,005

<sup>1</sup>This amount includes \$349,500 of one-time funding. Excluding this amount, the agency's ongoing General Fund appropriation is \$1,709,267,938.

<sup>2</sup>This amount includes a deficiency appropriation of \$30 million from federal funds provided by the Legislative Assembly in 2025 for the 2023-25 biennium to increase federal funds authority in the grants - other grants line item.

**Item Description**

**New and vacant FTE pool** - The Legislative Assembly transferred \$695,495 for the new and vacant FTE pool line item for the Department of Public Instruction (DPI) for estimated savings from vacant positions.

**One-time funding** - The Legislative Assembly provided \$8,099,500 of one-time funding to DPI, of which \$349,500 is from the General Fund and \$7,750,000 is from other funds, in the following bills:

**House Bill No. 1013**

**Teacher retention program** - The Legislative Assembly, in Section 2 of House Bill No. 1013, identified one-time funding of \$2 million from the Strategic Investment and Improvements Fund (SIIF) to make a teacher retention program available statewide.

**School board training grants** - The Legislative Assembly, in Section 2 of House Bill No. 1013, identified one-time funding of \$1.5 million from SIIF for school board training grants.

**Status/Result**

Through January 2026, DPI had estimated vacant FTE position savings of \$318,643. The department used \$63,112 for accrued leave payouts, extra temporary salary funding, and extra overtime funding. The department had between 4.8 and 7.8 vacant FTE positions from July 2025 through January 2026 with an average monthly vacant position rate of 6.37 FTE positions. Through March 2026, the department has not requested a transfer from the new and vacant FTE pool line item.

The Department of Public Instruction participated in the OMB Voluntary Separation Incentive Program and accepted applications for 4 FTE positions which were approved. Due to departmental reorganization, DPI did not provide a savings estimate.

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

**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 2026, 18 school districts participated in the statewide teacher retention program. The department anticipates an additional 5 school districts will participate during the remainder of the biennium. Through March 2026, expenditures related to the statewide teacher retention program totaled \$1,554,000. The department anticipates a total of \$2,000,000 will be expended during the 2025-27 biennium.

**School board training grants** - Through March 2026, expenditures related to school board training totaled \$716,650. The department anticipates using a total of \$1.5 million for school board training during the 2025-27 biennium. The North Dakota School Boards Association did not respond to DPI's request for information regarding the number of school district boards that have participated in the training program.

**Early learning program** - The Legislative Assembly, in Section 2 of House Bill No.1013, identified one-time funding of \$1.5 million, provided through a grant from the Department of Health and Human Services (DHHS), for an early learning program previously administered by DHHS.

**Centers of excellence** - The Legislative Assembly, in Section 2 of House Bill No.1013, identified one-time funding of \$1 million from SIIF for a centers of excellence program.

**Native American history and culture textbook** - The Legislative Assembly, in Section 2 of House Bill No.1013, identified one-time funding of \$650,000 from SIIF for operating expenses related to a textbook regarding the history and culture of indigenous people.

**Native American Essential Understandings Program** - The Legislative Assembly, in Section 2 of House Bill No.1013, identified one-time funding of \$300,000 from SIIF for operating expenses related to a North Dakota Native American Essential Understandings Program to integrate Native American perspectives in the classroom.

**Statewide reading tool** - The Legislative Assembly, in Section 2 of House Bill No. 1013, identified one-time funding of \$500,000 from SIIF to make available the Amira reading tool for all students in grades 1 through 3 and for certain students in grades 4 through 12. In addition to the funding from SIIF, the department anticipated using \$541,903 of federal discretionary funding from the federal ESSER Fund to provide a total of \$1,041,903 for a statewide reading tool during the 2025-27 biennium.

**Early learning program** - Funding for the Waterford Upstart Program is provided to pay tuition for prekindergarten students. Through March 2026, expenditures totaled \$153,227 for 193 participants. The department anticipates remaining funding will be used for an additional 307 participants.

**Centers of excellence** - Funding provided for the centers of excellence program will be used to contract with Valley City State University (VCSU) for services, including implementation support, technical assistance, and research to advance personalized learning and innovative educational practices statewide. The program is intended to refine advisory council direction, expand district implementation support, and strengthen student and educator leadership pathways. Through March 2026, expenditures totaled \$43,074 for 454 participants. The department anticipates remaining funding will be used for an additional 546 participants.

**Native American history and culture textbook** - The Native American history and culture textbook is anticipated to be available for the 2026-27 school year. Through March 2026, no expenditures have been made relating to the textbook. The department anticipates the cost of the textbook will total \$650,000 during the 2025-27 biennium.

**Native American Essential Understandings Program** - Anticipated uses for funding provided for the Native American Essential Understandings Program include teacher leadership, leadership development, and website mitigation of the teachings of our elders. Through March 2026, no expenditures have been made relating to the program and approximately 700 educators have participated in the program. The department anticipates program costs will total \$300,000 from SIIF during the 2025-27 biennium and benefit approximately 1,400 participants. In addition, DPI used \$100,000 of elementary and secondary school emergency relief (ESSER) discretionary funds continued from the 2023-25 biennium for the Native American Essential Understandings Program.

**Statewide reading tool** - Through March 2026, 84 school districts and 25,000 eligible students have signed up for the Amira reading tool. The department anticipates an additional 65 school districts and 20,000 eligible students will participate during the remainder of the biennium. Through March 2026, expenditures related to the statewide reading tool totaled \$258,000. The department anticipates using a total of \$500,000 from SIIF during the 2025-27 biennium. In addition, DPI used \$541,903 of ESSER discretionary funds continued from the 2023-25 biennium for the Amira reading tool.

In February and March 2026, the Emergency Commission and Budget Section approved the department's request to increase federal funds spending authority in the salary and wages line item (\$216,962) and the operating expenses line item (\$5,047,966). The funding, from a federal education innovation and research grant, is the result of a partnership with Amira Learning and WestED to expand AI-enabled tutoring statewide in kindergarten through grade 5. The grant is estimated to total \$10 million over 5 years from 2027 through 2031.

**Dyslexia identification training program** - The Legislative Assembly, in Section 2 of House Bill No. 1013, identified one-time funding of \$300,000 from SIFF to provide training in identification of dyslexia characteristics in schools that instruct students in kindergarten through grade three.

#### **Senate Bill No. 2213**

**Mathematics screening tool pilot program** - The Legislative Assembly, in Section 6 of Senate Bill No. 2213, identified a mathematics screening tool pilot program, including \$300,000 from the General Fund for the pilot project.

#### **Senate Bill No. 2275**

**Kindergarten through grade 3 foreign language grant pilot project** - The Legislative Assembly, in Senate Bill No. 2275 created a pilot program for the Superintendent to provide annual grants to schools that provide instruction in a foreign language to students in kindergarten through grade 3. The grants may be up to \$2,500 and may be used for program costs, materials, and stipends. The bill also provides \$49,500 of one-time funding from the General Fund to DPI for the pilot program.

**2023-25 biennium appropriation carryover to the 2025-27 biennium** - In Section 16 of House Bill No. 1013, the Legislative Assembly provided if, after the Superintendent of Public Instruction complies with all statutory payment obligations imposed for the 2023-25 biennium, any money remains in the integrated formula payments line item, the Office of Management and Budget must continue \$11 million and transfer the funding to the Public Instruction Fund for the purpose of providing integrated formula payments during the 2025-27 biennium.

In Section 17 of House Bill No. 1013, the Legislative Assembly provided carryover authority for federal and special funds as follows:

**Federal fund authority** - COVID-19-related funds appropriated to DPI from the ESSER Fund and any other federal funds during the 2021-23 biennium and continued to the 2023-25 biennium were allowed to continue into the 2025-27 biennium. The department anticipated \$950,000 of federal funding would be continued to the 2025-27 biennium for the Amira reading tool, after school tutoring, choice ready programs, and technology and workforce readiness programs. Federal funds had to be spent by March 2026.

**Dyslexia identification training program** - The dyslexia identification training program provides funding to school districts for expenses related to teachers attending dyslexia training. Through March 2026, no educators have participated in the dyslexia identification training program. The department anticipates 600 educators will participate during the remainder of the biennium. Through March 2026, there have been no expenditures related to the Dyslexia Identification Training Program. The department anticipates using a total of \$300,000 during the 2025-27 biennium.

**Mathematics screening tool pilot program** - The department has reviewed and selected vendors and school districts have been awarded grants to implement one of the approved screening and intervention programs during the 2025–27 biennium pilot program. District award amounts, budgeting expectations, and implementation requirements have been issued. All school districts participating in the pilot program have completed their baseline assessments and will provide periodic updates to the department. Through March 2026, expenditures related to the mathematics screening tool pilot program totaled \$20,242 and remaining funding has been committed to bring the total pilot program expenditures to \$300,000 from the General Fund during the 2025-27 biennium.

**Kindergarten through grade 3 foreign language grant pilot project** - Through March 2026, one school district participated in the grant program and received the maximum reimbursement of \$2,500. The department anticipates additional school districts will participate and \$49,500 from the General Fund will be spent during the 2025-27 biennium.

**General Fund authority continued and transferred to the Public Instruction Fund** - Funding provided for integrated formula payments during the 2023-25 biennium exceeded expenditures and the Office of Management and Budget continued \$11 million to the 2025-27 biennium for integrated formula payments. The Department of Public Instruction anticipates funding available for integrated formula payments during the 2025-27 biennium will exceed estimates by \$16.8 million. See the **State school aid - Integrated formula payments** section below for additional information regarding funding for integrated formula payments during the 2025-27 biennium.

**Federal fund authority continued into the 2023-25 biennium** - The department continued \$4,580,611 of funds appropriated from the ESSER Fund to the 2025-27 biennium. Funding continued for school districts totaled \$3,489,817, of which \$1,090,299 remained unspent and was returned to the federal government. Discretionary funding available to the department totaled \$1,090,794 and was used for the following programs:

- Native American Essential Understandings - \$100,000
- Choice ready grants - \$40,268
- After school grants - \$20,698
- Amira statewide reading tool - \$541,903
- Science of mathematics grants - \$103,090
- Science of reading grants - \$126,995
- Personalized competency based learning - \$157,840

**Special fund authority** - During the special legislative session in November 2021, the Legislative Assembly added one-time funding, derived from reimbursements, withheld from certain school districts' integrated formula payments and deposited in the Public Instruction Fund, for information technology project upgrades to the state automated reporting system (STARS) and the statewide longitudinal data system (SLDS). In 2023, the Legislative Assembly provided any funds remaining from the 2021 special legislative session appropriation may be continued to the 2023-25 biennium. The department continued \$9,780,703 for STARS and SLDS upgrades to the 2023-25 biennium, of which \$4,780,703 was transferred to the Information Technology Department and \$329,920 was spent by the department. In 2025, the Legislative Assembly again provided funding remaining for the STARS and SLDS upgrades may be continued into the 2025-27 biennium for the purpose of continuing the upgrades. The department continued \$4,670,080 to the 2025-27 biennium for the multiyear project. In addition, the Legislative Assembly transferred funding of \$5,775,000 from the General Fund from the PowerSchool line item to a student information systems line item to allow DPI to bid for a new student information system vendor.

**State school aid - Integrated formula payments** - 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 2025-27 biennium, the integrated payment rates are increased 2.5 percent each year of the biennium to provide \$11,349 during the 1<sup>st</sup> year of the biennium and \$11,633 during the 2<sup>nd</sup> 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.

**Special fund authority continued for STARS and SLDS upgrades** - The Department of Public Instruction has contracted with a new vendor for the student information system and is in the process of transitioning from PowerSchool to Infinite Campus through the building reports informing data-driven growth in education (BRIDGE) project. Through March 31, 2026, expenditures related to the project totaled \$576,080.

Initially, poor performance by a data migration vendor slowed the transition; however, DPI anticipates Phase 1 of the implementation will be complete by July 1, 2026, and school districts will begin using Infinite Campus for the 2026-27 school year. The department anticipates the project will be completed within budget. If available, DPI anticipates using student information system savings to replace the STARS and SLDS applications. In May 2026, DPI submitted an Emergency Commission request to transfer \$3.1 million of General Fund spending authority, provided for integrated formula payments, from the integrated formula payments line item to the grants-program grants line item. The funding would be used to implement a new grant program to offset school district costs related to the BRIDGE project. The department's request is to distribute grants based on a formula that provides \$1,000 per school district and \$25 per student, based on the 2025-26 school year average daily membership. The department indicated the funding would be provided for costs related to data standardization, student information system training, and additional workload demands stemming from a compressed implementation timeline which resulted from the poor performance of the department's initial data migration vendor.

The department estimates payments for integrated formula payments during the 1<sup>st</sup> year of the biennium to be approximately \$1,187.8 million, \$3.7 million less than appropriated. The department estimates integrated formula payments for the 2<sup>nd</sup> year of the biennium to be approximately \$1,209.6 million, \$13.2 million less than appropriated. This results in excess funding of approximately \$16.9 million for the 2025-27 biennium. Expenditures for integrated formula payments are less than estimated due primarily to \$10.6 million included in the department's appropriation bill for House Bill No. 1130 (2025), which failed to pass after the funding was included in the department's budget, and the department's estimated variance allowance of \$10.6 million included in the budget. These positive budget variances are offset by approximately \$6.5 million anticipated for budget adjustments and estimated gap funding provided to school districts unable to levy the 60 mills deducted in the formula due to the 3 percent limit on budget increases. There is

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 \$2,414,277,703, of which \$1,574,600,353 is from the General Fund, \$233,000,000 is from the Foundation Aid Stabilization Fund, \$595,677,350 is from the State Tuition Fund, and \$11,000,000 is from special funds, derived from General Fund carryover deposited in the department's operating fund, for state school aid for integrated formula payments. This level of funding represents an increase of \$114,602,852 from the 2023-25 biennium appropriation for integrated formula payments of \$2,299,674,851, including increases in funding of \$76,000,000 from the Foundation Aid Stabilization Fund, \$84,817,350 from the State Tuition Fund, and \$11,000,000 from special funds, derived from General Fund carryover deposited in the department's operating fund, and decreases in funding of \$13,993,086 from SIIF and \$43,221,412 from the General Fund.

**Transportation aid grants** - The Legislative Assembly, in House Bill No. 1214 (2025), changed the way transportation aid grants to school districts are determined. Using factors, the new formula converts bus miles, number of bus runs, eligible family miles, and square miles and number of buildings in the district into transportation average daily membership equivalents. Total transportation average daily membership equivalents are multiplied by a 0.091 factor to determine the school district's weighted student unit equivalent. The weighted student unit equivalent is multiplied by the per pupil payment rate set in Section 15.1-27-04.1. Eligible miles and runs include transportation to and from school, special education, and career and technology centers and courses. A hold harmless clause provides, for school districts whose eligible bus miles and eligible bus runs remain the same or increase from the prior year, the transportation payment under the new formula may not be less than the transportation payment received by the school district for the preceding year. The hold harmless clause expires June 30, 2027. Under the new formula, transportation funding will increase as per pupil payment rates in Section 15.1-27-04.1 are increased. The estimated fiscal impact of the new formula was an increase in transportation aid funding of approximately \$6.35 million. The department anticipated excess transportation aid funding during the 2023-25 biennium and estimated the total funding needed for the 2025-27 biennium for the new formula would be \$60.1 million, or \$2 million more than the 2023-25 biennium appropriation of \$58.1 million.

**Special education contracts** - The Legislative Assembly provided \$22 million from the General Fund for special education contracts during the 2025-27 biennium. This level of funding is \$2 million less than the 2023-25 biennium funding of \$24 million from the General Fund. The Legislative Assembly, in Section 8 of House Bill No. 1013, provided the Superintendent may expend funds provided for integrated formula payments and grants - special education contracts during the 2025-27 biennium for paying grants for

no provision to distribute funding in excess of obligations for the integrated formula payments remaining at the end of the 2025-27 biennium. Therefore, excess funding will not be spent and will be a part of DPI's General Fund turnback.

The Department of Public Instruction estimates transportation aid formula grants during the 1<sup>st</sup> year of the biennium will be approximately \$237,800 less than the \$30.05 million allocated. The department estimates transportation aid grant applications for the 2<sup>nd</sup> year of the biennium will be approximately \$377,868 more than the \$30.05 million allocated, resulting in an estimated \$140,068 shortfall in the grants - transportation line item for the 2025-27 biennium. Transportation aid grants are anticipated to be more than budgeted because family transportation and large bus miles and runs and have been more than estimated.

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 (\$15,113 for grades 1 through 8 and \$16,056 for grades 9 through 12 during the 2025-26 school year). School districts are responsible for four times the statewide average cost per student for school

educational services that were due in the 2023-25 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2025. To be reimbursed under this section, claims must be properly supported and filed with the Superintendent by June 30, 2026. In addition to special education contracts, the state school aid formula provides approximately \$277.5 million through the integrated formula payments line item for special education and prekindergarten special education average daily membership and weighting factors.

**Program and passthrough grants** - The Legislative Assembly provided a total of \$31,800,527 from the General Fund, SIIF, and special funds from a DHHS grant for programs administered by DPI (\$27,065,527) and passthrough grants (\$4,735,000). This level of funding is \$1,780,473 less than the 2023-25 biennium appropriation for program and passthrough grants of \$33,581,000 provided from the General Fund, SIIF, and special funds made available from continuing unexpended 2021-23 biennium integrated formula payment funding and depositing the funding in the department's operating fund.

In 2025, the program grant pool was removed and funding of \$1,736,027 was allocated to the various initiatives funded by the pool in previous bienniums, including leveraging the senior year, a leadership program, and family engagement initiatives. This level of funding is \$536,027 more than the 2023-25 biennium appropriation of \$1,200,000 from carryover funds for the program grant pool. The Legislative Assembly provided the increased funding for the Leveraging the Senior Year Program.

The following is a summary of program grants:

Program	General Fund	Other Funds <sup>1</sup>	Total
Adult education matching grants	\$5,500,000		\$5,500,000
School food services matching grants	1,380,000		1,380,000
Free meal	6,000,000		6,000,000
Leveraging the senior year	1,536,027		1,536,027
Building tomorrow's leaders	50,000		50,000
Family engagement	150,000		150,000
Paraprofessional-to-teacher	3,000,000		3,000,000
Science of reading and literacy instruction	1,000,000		1,000,000
Science of mathematics instruction	1,000,000		1,000,000
Indians into STEM	300,000		300,000
One-time funding for a centers of excellence		\$1,000,000	1,000,000
One-time funding for a mathematics screening tool pilot	300,000		300,000
One-time funding to provide the Amira reading tool statewide <sup>2</sup>		500,000	500,000

placements. Special education contract costs exceeding these limits are reimbursed by the state.

The department estimates special education contract obligations will total \$10.8 million during the 1<sup>st</sup> year of the biennium and \$11.2 million for the 2<sup>nd</sup> 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 2025-27 biennium.

The Legislative Assembly provided \$20,265,527 from the General Fund, \$5,300,000 from SIIF, and \$1,500,000 from a grant from DHHS for the purpose of providing program grants during the 2025-27 biennium.

Below are the expenditures related to program grants through March 2026.

Program	2025-27 Biennium Appropriation	Expenditures through March 2026
Adult education matching grants	\$5,500,000	\$1,507,163
School food services matching grants	1,380,000	263,455
Free meal	6,000,000	1,625,796
Leveraging the senior year	1,536,027	12,665
Building tomorrow's leaders	50,000	1,029
Family engagement	150,000	0
Paraprofessional-to-teacher	3,000,000	834,441
Science of reading and literacy instruction	1,000,000	66,811
Science of mathematics instruction	1,000,000	37,180
Indians into STEM	300,000	0
One-time funding for a centers of excellence	1,000,000	43,074
One-time funding for a mathematics screening tool pilot	300,000	20,242
One-time funding to provide the Amira reading tool statewide	500,000	258,000
One-time funding for statewide teacher retention	2,000,000	1,554,000
One-time funding for school board training grants	1,500,000	716,650
One-time funding for dyslexia identification training	300,000	0
One-time funding for foreign language grants for kindergarten through grade 3	49,500	2,500
One-time funding for Waterford Upstart	1,500,000	153,227
<b>Total 2025-27 biennium program grants</b>	<b>\$27,065,527<sup>1</sup></b>	<b>\$7,096,233<sup>2</sup></b>

<sup>1</sup>Except for funding related to the free meal program, the department anticipates all program grant funding will be spent during the 2025-27 biennium. Also see the **One-time funding, Free meal program, Paraprofessional-to-teacher program, Science of Reading and Literacy Instruction Program, and Science of mathematics instruction** sections.

<sup>2</sup>In addition, the department continued \$1,090,794 of ESSER discretionary funding of which the department used \$990,794 for the following programs:

- Choice ready grants - \$40,268
- After school grants - \$20,698

One-time funding for statewide teacher retention		2,000,000	2,000,000
One-time funding for school board training grants		1,500,000	1,500,000
One-time funding for dyslexia identification training		300,000	300,000
One-time funding for foreign language grants for kindergarten through grade 3	49,500		49,500
One-time funding for Waterford Upstart		1,500,000	1,500,000
<b>Total</b>	<b>\$20,265,527</b>	<b>\$6,800,000</b>	<b>\$27,065,527</b>

<sup>1</sup>Except for the Waterford Upstart Program, which is funded through a grant from DHHS, program grants provided from other funds are from SIIF.

<sup>2</sup>In addition to funding appropriated by the Legislative Assembly from SIIF, DPI has obligated ESSER funding of \$541,903, continued from the 2021-23 biennium and the 2023-25 biennium, to provide a total of \$1,041,903 for a statewide reading tool during the 2025-27 biennium. See the **2023-25 biennium appropriation carryover to the 2025-27 biennium** section for additional details regarding ESSER funding continued to the 2025-27 biennium.

The following is a summary of passthrough grants:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Mentoring program	\$3,700,000		\$3,700,000
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
<b>Total</b>	<b>\$4,735,000</b>	<b>\$0</b>	<b>\$4,735,000</b>

**Free meal program** - The Legislative Assembly, in Section 12 of House Bill No. 1013, identified \$6 million from the General Fund, included in the grants - program grants line item, for providing free meals to students in public or nonpublic schools at or below 225 percent of the federal poverty guideline, an increase in eligibility from 200 percent of the federal poverty guideline used during the 2023-25 biennium.

In addition, the Legislative Assembly, in Section 22 of House Bill No. 1013, created a new section to Chapter 15.1-07, effective July 1, 2026, to require school districts to establish electronic collection of free or reduced-price meal eligibility information.

- Amira statewide reading tool - \$541,903
- Science of mathematics grants - \$103,090
- Science of reading professional development - \$126,995
- Personalized competency based learning - \$157,840

Through March 2026, DPI has provided the following passthrough grants:

<b>Passthrough Grant</b>	<b>2025-27 Biennium Appropriation</b>	<b>Expenditures through March 2026</b>
North Dakota Retaining, Inspiring, and Supporting Educators (ND RISE) <sup>1</sup>	\$3,700,000	\$500,000
National writing projects	40,000	8,786
Rural art outreach project	425,000	425,000
Governor's school grants	500,000	109,353
"We the People" Program	70,000	70,000
<b>Total 2025-27 biennium passthrough grants</b>	<b>\$4,735,000</b>	<b>\$1,113,139</b>

<sup>1</sup>The teacher mentoring program has been rebranded as ND RISE. Also see the **Teacher Mentoring Program - ND RISE** section below.

Through March 2026, approximately 3,000 students qualified under the expanded eligibility criteria and program expenditures totaled \$1,625,796. The department estimates expenditures related to the free meal program will total approximately \$4,500,000 during the 2025-27 biennium, approximately \$1,500,000 less than appropriated.

Approximately 72 of North Dakota's 193 school districts currently use an electronic free and reduced-price meal application. The department anticipates, beginning with the 2026-27 school year, all districts will meet the electronic submission requirement by either purchasing a free and reduced module that meets the district's needs, using a module available through DPI, or using a module within Infinite Campus. Of the 193 districts, 24 districts operate under the

community eligibility provision or are residential child care institutions and therefore do not collect household free or reduced-price applications.

If approved in November, an initiated ballot measure would require the state to provide universal free school meals. The measure would expand access for meals at no cost to all students enrolled in a school participating in the National School Lunch Program. The department anticipates the cost of increased participation in the program will total approximately \$133 million during the 27-29 biennium.

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 mentoring for 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, VCSU, and the University of Mary. Funding provided for tuition and startup costs at VCSU and the University of Mary. The department also partnered with the Governor's office to establish a 4<sup>th</sup> Paraprofessional-to-Teacher Program through Western Governors University.

Through March 2026, the department has used \$834,441 of the 2025-27 biennium appropriation to support 228 participants from 78 school districts at 10 participating universities. All but \$72,515 of the \$3 million is committed.

Through March 2026, the apprenticeship program has supported 158 paraprofessionals. Federal funding provided for this program during the 2025-27 biennium is anticipated to total \$1.6 million and support an additional 7 paraprofessionals. The federal funding will expire in September 2027.

The Science of Reading and Literacy Instruction Program provides funding to regional education associations to provide reading and literacy training and to school districts for additional expenses related to teachers attending the training. Funding is also allocated to support an annual North Dakota Literacy Summit in 2026 and 2027. Through March 2026, 753 educators participated in the Science of Reading and Literacy Instruction Program. The department anticipates an additional 1,000 educators will participate during the remainder of the biennium. Through March 2026, expenditures related to the Science of Reading and Literacy Instruction Program totaled \$66,811. The department anticipates using the entire \$1 million provided from the General Fund during the 2025-27 biennium.

In addition, DPI used \$126,995 of ESSER discretionary funds continued from the 2023-25 biennium for science of reading professional development.

The department has worked with partners to develop professional mathematics education focused on grades 4 through 8 teachers. Select district representatives and regional education associations are anticipated to begin a train the trainer series in June 2026. Through March 2026, the department has used \$51,071 of the \$1.2 million provided from the general fund for salaries and wages and operating expenses related to professional development design. The department anticipates using a total of \$1.2 million for administration costs (\$250,000) and

**Paraprofessional-to-Teacher Program** - The Legislative Assembly, in Section 13 of House Bill No. 1013, identified \$3 million from the General Fund, included in the grants - program grants line item, is to provide grants to institutions of higher education to assist paraprofessionals to become teachers. The Superintendent 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 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 Department of Labor for the program. The grants provide funding for tuition, administrative costs, and a contract with the National Center for Grow Your Own to provide support.

**Science of Reading and Literacy Instruction Program** - The Legislative Assembly, in Senate Bill No. 2284 (2023) allowed DPI to continue \$1,000,000 of unexpended funding provided for integrated formula payments during the 2021-23 biennium to the 2023-25 biennium and appropriated the one-time funding to support professional learning related to the science of reading. In addition, the department anticipated spending ESSER Fund state discretionary funding of \$988,750 for the Science of Reading and Literacy Instruction Program, to provide a total of \$1,988,750 of one-time funding for the program during the 2023-25 biennium.

The Legislative Assembly, in House Bill No. 1013 (2025), provided ongoing funding of \$1,000,000 from the General Fund for the Science of Reading and Literacy Instruction Program.

**Science of mathematics instruction** - The Legislative Assembly, in Senate Bill No. 2213 provided a comprehensive update to mathematics education for K-12 teachers and students. The bill requires the Education Standards and Practices Board to ensure mathematics teachers demonstrate competencies in direct and explicit mathematics instruction and pedagogy prior to obtaining a teaching license. The licensure requirements do not become effective for elementary teachers until July 1, 2027. The bill also

requires nonpublic and public schools to provide mathematics curricula aligned with DPI's newly revised standards; provide professional development for mathematics teachers, including special education teachers; implement formative assessments and adjust instruction accordingly; and implement intervention programming when appropriate. Beginning July 1, 2027, public and nonpublic schools will be required to screen students in kindergarten through grade 3 for mathematics deficiencies and dyscalculia, and provide resources and accommodations as needed. The bill also appropriated \$1.5 million from the General Fund to DPI to support schools and regional education associations to improve kindergarten through grade 8 mathematics curriculum, instruction, and student achievement. The bill provided up to \$200,000 of the appropriation may be allocated for state-level staffing or DPI administrative expenses and up to \$300,000 of the appropriation must be allocated to one-time funding for a mathematics screening tool pilot program.

**Teacher Mentoring Program - ND RISE** - The Legislative Assembly, in House Bill No. 1013 increased funding for a passthrough grant to the Teacher Mentoring Program by \$1.2 million to provide a total of \$3.7 million from the General Fund.

**North Dakota fostering improvement results for school transformation interventions** - The Legislative Assembly, in House Bill No. 1013 provided \$1 million from the General Fund for operating expenses related to North Dakota fostering improvement results for school transformation interventions (ND FIRST) for chronically low-performing schools.

**Public charter schools** - The Legislative Assembly, in Senate Bill No. 2241 (2025), established a framework for the creation, governance, and oversight of public charter schools, which are independently governed public schools formed through a charter performance agreement. The bill provides public charter schools will receive per student state aid payments like other public schools, but no funding from the local contribution in the state aid formula. A fiscal note prepared by DPI indicates the fiscal impact cannot be determined.

program costs (\$950,000) related to curriculum, training, intervention program review, and school district implementation support grants during the 2025-27 biennium.

In addition, DPI used \$103,090 of the ESSER discretionary funds continued from the 2023-25 biennium for science of mathematics grants. See the **Mathematics screening tool pilot program** section.

The Teacher Mentoring Program has been rebranded as ND RISE to provide mentoring, professional learning, and leadership development support for beginning teachers, mentors, instructional coaches, and administrators. Funding for the program is provided as a passthrough grant from DPI and is used to provide mentor training and stipends, beginning teacher network grants, payroll and benefits, data management, program operating expenses, and other administrative costs. During the 2025-26 school year, the program trained 190 mentors and enrolled 658 teachers. Through January 2026, the program provided mentor stipends totaling approximately \$416,800 and anticipates spring 2026 stipends will total approximately \$420,000.

Through March 2026, expenditures reflect the launch and establishment of the ND FIRST system, including contracted support to begin the initiative and early-stage implementation activities conducted in districts and schools to meet statutory and program requirements for chronically low-performing schools identified under Senate Bill No. 2254 (2023). The department identified 8 ND FIRST schools and districts. The department entered a 3-year pay-for-performance contract with Elevate Consulting LLC which provides a structured compensation model that combines a minimum base payment with outcome-based payments. Performance-based payments do not begin until the 2<sup>nd</sup> year of the agreement.

The Department of Public Instruction presented North Dakota Administrative Code Chapter 67-36-01 related to public charter schools to the Administrative Rules Committee in March 2026 and it became effective April 1, 2026. The department will take applications for charter schools in fall 2026 for the 2026-27 school year.

**Property tax reform - School district gap funding** - The Legislative Assembly, in House Bill No. 1176 (2025), increased the primary residence property tax credit and the renter's refund amount; adjusted the maximum taxable value reduction for the disabled veteran's program; and limited local political subdivision budget increases. In Section 28 of the bill, the Legislative Assembly provided for an Integrated Formula Gap Funding Program to hold harmless certain school districts that may have more funding deducted in the state school aid formula than can be assessed under the new provisions. The bill allows DPI to use funding provided for integrated formula payments to provide the gap funding. If the department anticipates a shortfall in funding for integrated formula payments for the 2025-27 biennium, the Superintendent must request a deficiency appropriation from the 70<sup>th</sup> Legislative Assembly.

**School district building assessments and maintenance** - The Legislative Assembly, in House Bill No. 1476 (2025), authorized the Superintendent to oversee the assessment of all public school buildings in the state, by collecting assessments conducted by school districts, documenting and tracking building inventory and repairs, and contracting for professional services to study appropriate criteria for establishing public school facility standards. A fiscal note prepared by DPI indicates a system can be set up and maintained by DPI staff.

**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.

The Legislative Assembly, in Senate Bill No. 2149 (2025), provided a school construction or remodeling project on an Air Force base is eligible to be financed by a loan from the School Construction Assistance Revolving Loan

The Department of Public Instruction has received applications for integrated formula gap funding totaling \$1.9 million for the 2025-26 school year. The department is anticipating the 3 percent limit on school district budget increases will further limit property tax assessments and is anticipating \$4 million will be needed for integrated formula gap funding during the 2026-27 school year.

The Department of Public Instruction presented North Dakota Administrative Code Chapter 67-35-01 related to the assessment of school buildings to the Administrative Rules Committee in March 2026 and it became effective April 1, 2026. However, because funding was not provided, the department has not collected building assessment information.

As of April 19, 2026, outstanding loans in the School Construction Assistance Revolving Loan Fund totaled \$327.6 million and net assets of the fund totaled \$401.4 million. Funding available in the School Construction Assistance Revolving Loan Fund for new loans totaled \$74.2 million, of which \$47.7 million has been committed.

On September 30, 2025, the Grand Forks Public School district was approved for a \$13,812,270 loan from the Coal Development Trust Fund for an elementary and middle school building project on the Grand Forks Air Force base. The full amount of the loan was transferred to the school district in February 2026. The loan amount was based on construction costs totaling \$69,061,352. The school district will receive an additional \$55,249,082 of federal build grant funds for the project. In addition to the construction costs, the district reported receiving \$4,427,863 of federal design and demolition grant funds. The 20 percent match for the design and demolition cost was provided by \$1,106,966 of school district funds. Some project alternatives were also approved for 80 percent federal funding. If selected, the 20 percent cost match for the alternatives will be funded by the school district.

Fund through the Bank. In addition, the Legislative Assembly, in House Bill No. 1369 (2025), authorized the Board of University and School Lands to issue a loan for the lesser of 20 percent of the project cost or \$20 million dollars from the Coal Development Trust Fund for a school construction project on an Air Force base during the 2025-27 biennium and decreased the maximum loan amounts available from the School Construction Assistance Revolving Loan Fund in each loan tier.