



**REVISED EXECUTIVE BUDGET RECOMMENDATION  
 2025-27 BIENNIUM**

**Budget Summary**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Burgum budget recommendation	86.25	\$1,655,425,216	\$1,340,402,846	\$2,995,828,062
Revisions - Increase (decrease)	0.00	53,433,084	(59,857,014)	(6,423,930)
<b>Armstrong budget recommendation</b>	<b>86.25</b>	<b>\$1,708,858,300</b>	<b>\$1,280,545,832</b>	<b>\$2,989,404,132</b>
Base level	86.25	1,728,750,445	1,115,246,674	2,843,997,119
Increase (decrease)	0.00	(\$19,892,145)	\$165,299,158	\$145,407,013
Percentage increase (decrease)	0.0%	(1.2%)	14.8%	5.1%

**NOTE:**

More detailed information on the revised executive budget recommendation is attached as an appendix.

**Selected Highlights**

- **Salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds funding to replace 2023-25 biennium vacant FTE pool amounts
- Increases funding from the general fund by \$700,000 for operating expenses due to an increase in the cost of the accreditation contract
- Adds \$1 million from the general fund for operating expenses related to ND FIRST interventions for chronically low-performing schools
- Increases funding by \$2 million from special funds derived from food processing reimbursements for operating expenses related to increases in the food processing program
- Adds \$28.4 million from federal funds for operating expenses and other grants related to a federal comprehensive literacy state development grant
- Increases funding for integrated formula payments by \$60 million to provide a total of \$2.36 billion. Funding is provided to increase the per student payment rate by 2 percent each year of the 2025-27 biennium (\$91 million). The increase is offset by cost-to-continue savings related to slower enrollment growth (\$20 million) and by savings related to eliminating transition minimum adjustments (\$6.7 million) and weighted student unit provisions for multiplant school districts (\$4.3 million).
- Adjusts the funding source for integrated formula payments to decrease funding from the general fund by \$127,824,264 and from the strategic investment and improvements fund (SIIF) by \$13,993,086 and increase funding from special funds, including \$84,817,350 from the state tuition fund and \$57,000,000 from the foundation aid stabilization fund
- Adds \$44,250,000 from the general fund for passthrough grants for an educational savings account program
- Decreases funding from the general fund by \$1.5 million for free meal program grants to provide a total of \$4.5 million from the general fund
- Adds funding from the general fund to increase total funding for passthrough grants for teacher mentoring to provide a total of \$4.5 million, of which \$2 million is from the general fund and \$2.5 million is from special funds made available from general fund carryover. The additional funds are proposed for ND RISE to expand the program to a 3-year mentorship.
- Adds one-time funding of \$950,000 from the foundation aid stabilization fund for operating expenses related to North Dakota Native American Essential Understandings contracts and work group costs and the production of a book series regarding the history and culture of indigenous people

- Adds one-time funding of \$5.3 million from the foundation aid stabilization fund for program grants for school board training, a teacher retention program, dyslexia identification training, and for a passthrough grant for an Innovation Intermediary program

### **Deficiency Appropriations**

There are no deficiency appropriations for this agency.

### **Significant Audit Findings**

There are no significant audit findings for this agency.

### **Agency Fees**

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has one fee. The agency did not recommend any changes to the fee.

### **Major Related Legislation**

**House Bill No. 1100** - Provides an exemption to allow the Department of Public Instruction (DPI) to continue unused funds, provided for free school meals during the 2023-25 biennium, to the 2025-27 biennium to provide grants to reimburse school districts for delinquent meal debt. A fiscal note prepared by DPI indicates approximately \$2 million may remain at the end of the 2023-25 biennium and would be available for grants to school districts for delinquent meal debt.

**House Bill No. 1129** - Provides \$1,250,000 of one-time funding from the general fund to DPI to study student attendance and absenteeism in K-12 public schools.

**House Bill No. 1130** - Allows school districts an alternative method to calculate the in lieu of property tax contribution in the foundation aid formula. A fiscal note prepared by DPI indicates additional expenditures of \$48.3 million.

**House Bill No. 1168** - Decreases the amount school districts can levy on residential property by 60 mills and eliminates the deduction in the foundation aid formula. A fiscal note prepared by DPI indicates additional expenditures of \$292 million.

**House Bill No. 1214** - Changes the transportation payment calculation for school districts. A fiscal note prepared by DPI indicates additional expenditures of \$17.5 million.

**House Bill No. 1358** - Authorizes public charter schools. A fiscal note prepared by DPI indicates the fiscal impact cannot be determined.

**House Bill No. 1369** - Increases per student payment rates by 3 percent each year of the biennium and increases certain weighting factors in foundation aid formula. The bill also transfers \$100 million from the foundation aid stabilization fund to the school construction revolving loan fund. A fiscal note prepared by DPI indicates additional expenditures of \$158.6 million related to the foundation aid formula changes.

**House Bill No. 1376** - Requires DPI reimburse school districts for cardiopulmonary resuscitation training for high school students. A fiscal note prepared by DPI indicates additional expenditures of \$1.2 million.

**House Bill No. 1381** - Adjusts the local revenue deduction in the state school aid formula and provides \$34 million from SIIF for integrated formula payments to school districts.

**House Bill No. 1456** - Provides \$500,000 from the general fund to fund salaries, training, oversight, and governance of school chaplains and evaluate the efficacy of the program.

**House Bill No. 1475** - Provides \$140 million from the general fund to reimburse participating entities, including school districts, nonpublic schools, and tribal schools for providing breakfast and lunch to students at no cost to the student.

**House Bill No. 1476** - Requires DPI to regularly assess school buildings and to develop and maintain a system for tracking the assessments and building maintenance. A fiscal note prepared by DPI indicates additional expenditures of \$2.25 million.

**House Bill No. 1492** - Provides \$24 million from the general fund for a passthrough grant for matching funds for a science museum construction project.

**House Bill No. 1494** - Increases the funding level for English language learners in the school district foundation aid formula. A fiscal note prepared by DPI indicates additional expenditures of \$13 million.

**House Bill No. 1536** - Provides \$1.5 million from the general fund to implement a Native American history curriculum.

**House Bill No. 1540** - Establishes education savings accounts at the Bank of North Dakota and requires DPI to administer the accounts. A fiscal note is pending from DPI.

**House Bill No. 1553** - Provides \$140 million from DPI operating fund to the department for meals free of charge for all students enrolled in public or nonpublic schools.

**House Bill No. 1565** - Requires DPI provide grants to tribally controlled schools for nonbeneficiary students that attend their schools. A fiscal note prepared by DPI indicates additional expenditures of \$1.7 million.

**House Bill No. 1590** - Establishes a student education services account pilot program and provides \$41.2 million from the general fund to the Bank of North Dakota to fund and administer the pilot program.

**House Bill No. 1604** - Provides \$600 million from the general fund for a new school building construction grant program.

**House Bill No. 1607** - Establishes educational empowerment accounts and requires funding at the per student payment rate. A fiscal note is pending from DPI.

**House Bill No. 1618** - Provides \$1,387,256 from the general fund for a tribal school infrastructure grant.

**Senate Bill No. 2030** - Provides for the Office of Management and Budget to transfer \$200 million from the general fund to the housing incentive fund and for appropriations to the Housing Finance Agency for homeless grants (\$10 million) and a homelessness study (\$50,000), and to DPI for grants for homeless liaison services (\$1 million).

**Senate Bill No. 2104** - Requires the Superintendent of Public Instruction to promote compliance with education-related state and federal law and to verify school district compliance. If the Superintendent issues guidance to a school district more than once, the Superintendent must deduct 2 percent of the total state aid payments to which a school district is entitled for that school year from the subsequent payment distribution.

**Senate Bill No. 2213** - Provides \$1.2 million from the general fund for schools and regional education associations for kindergarten through grade eight mathematics curriculum and instruction improvements.

**Senate Bill No. 2234** - Provides \$2 million from the general fund for competitive choice ready grants to school districts to assist high school students in meeting the requirements of the choice ready framework.

**Senate Bill No. 2241** - Provides for public charter schools and calculates the state aid for approved charter schools. A fiscal note prepared by DPI indicates the fiscal impact cannot be determined.

**Senate Bill No. 2262** - Provides \$250,000 from the general fund to pay contracts entered by the Kindergarten Through Grade Twelve Education Coordination Council.

**Senate Bill No. 2263** - Provides \$500,000 from the general fund for mastery framework training grants.

**Senate Bill No. 2275** - Creates a pilot program to provide annual stipends to kindergarten through third grade teachers who provide students foreign language instruction and provides \$25,000 from the general fund to defray the expenses of the program.

**Senate Bill No. 2279** - Decreases the foundation aid formula local property tax deduction from 60 mills to 45 mills and decreases the school districts' levy authority by 15 mills. A fiscal note prepared by DPI indicates additional expenditures of \$181 million.

**Senate Bill No. 2295** - Changes the school district funding formula to fund school districts using the average cost per student and generates foundation aid payments for students enrolled in nonpublic schools and home school. A fiscal note prepared by DPI indicates additional expenditures of \$2.152 billion.

**Senate Bill No. 2300** - Provides \$1.89 million from the general fund for secure containers for the storage of students' personal electronic devices during the school day.

**Senate Bill No. 2303** - Establishes an education savings account program at the Bank of North Dakota and requires DPI to administer it. A fiscal note is pending from DPI.

**Senate Bill No. 2330** - Provides \$48,000 from the general fund to implement human trafficking and exploitation prevention and awareness education.

**NOTE:**

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



**Department of Public Instruction - Budget No. 201**  
**Agency Worksheet - House Bill No. 1013**

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
<b>2025-27 Biennium Base Level</b>	86.25	\$1,728,750,445	\$1,115,246,674	\$2,843,997,119
<b>2025-27 Ongoing Funding Changes</b>				
Base payroll changes		\$21	\$25	\$46
Salary increase		299,641	479,159	778,800
Health insurance increase		192,665	353,841	546,506
Adds funding to replace the 2023-25 biennium vacant FTE pool		295,820	493,995	789,815
Base budget operating expense reductions, including federal funds (\$66) and special funds related to school food processing (\$452,060)			(452,126)	(452,126)
Base budget funding source change from federal to special funds for other grants				0
Increases funding for information technology rate increases		7,945		7,945
Increases funding for operating expenses due to an increase in the cost of the accreditation contract		700,000		700,000
Adds funding for operating expenses related to ND FIRST interventions for chronically low-performing schools		1,000,000		1,000,000
Increases funding from special funds derived from food processing reimbursements for operating expenses related to increases in the food processing program			2,000,000	2,000,000
Adds funding for operating expenses to administer a summer food program		150,000		150,000
Adds funding from federal funds for operating expenses and other grants related to a federal comprehensive literacy state development grant			28,350,000	28,350,000
Decreases funding for integrated formula payments for savings related to a reduction in the cost to continue		(20,000,000)		(20,000,000)
Adjusts the funding source for integrated formula payments in the base budget from the strategic investment and improvements fund to the general fund		13,993,086	(13,993,086)	0
Adjusts the funding source for integrated formula payments to provide for an increase in funds available from the state tuition fund to provide a total of \$595,677,350 from the fund		(84,817,350)	84,817,350	0
Adjusts the funding source for integrated formula payments from the general fund to the foundation aid stabilization fund to provide a total of \$225 million (Burgum) and \$214 million (Armstrong)		(57,000,000)	57,000,000	0
Increases funding for integrated formula payments to provide increases in the per student payment rate of 2 percent each year of the 2025-27 biennium		91,000,000		91,000,000
Decreases funding for integrated formula payments for savings related to removing transition minimum adjustments from the formula		(6,700,000)		(6,700,000)
Decreases funding for integrated formula payments for savings related to adjusting multiplant school district funding provisions		(4,300,000)		(4,300,000)
Decreases funding for free meal program grants		(1,500,000)		(1,500,000)
Adds funding for program grants for adult education integrated education and training grants				0

Removes funding from special funds, made available from general fund carryover, for the program grant pool and provides funding from carryover and the general fund for certain program grants		536,027		536,027
Increases funding for passthrough grants for teacher mentoring to provide a total of \$4.5 million, of which \$2 million is from the general fund and \$2.5 million is from special funds made available from general fund carryover		2,000,000		2,000,000
Adds funding for passthrough grants for an educational savings account program		44,250,000		44,250,000
<b>Total ongoing funding changes</b>	<b>0.00</b>	<b>(\$19,892,145)</b>	<b>\$159,049,158</b>	<b>\$139,157,013</b>
<b>One-Time Funding Items</b>				
Adds one-time funding for operating expenses related to ND Native American Essential Understandings contracts and work group costs			\$300,000	\$300,000
Adds one-time funding for operating expenses related to the production of a book series regarding the history and culture of indigenous people			650,000	650,000
Adds one-time funding from the foundation aid stabilization fund for program grants for school board training			1,500,000	1,500,000
Adds one-time funding for program grants for Indians into STEM				0
Adds one-time funding from the foundation aid stabilization fund for program grants related to dyslexia identification training			300,000	300,000
Adds one-time funding from the foundation aid stabilization fund for program grants for a teacher retention program			2,000,000	2,000,000
Adds one-time funding from the foundation aid stabilization fund for a passthrough grant for 2 Revolutions teacher training				0
Adds one-time funding from the foundation aid stabilization fund for a passthrough grant for an Innovation Intermediary program			1,500,000	1,500,000
Adds one-time funding from the strategic investment and improvements fund for passthrough grants for an educational savings account pilot program				0
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$0</b>	<b>\$6,250,000</b>	<b>\$6,250,000</b>
<b>Total Changes to Base Level Funding</b>	<b>0.00</b>	<b>(\$19,892,145)</b>	<b>\$165,299,158</b>	<b>\$145,407,013</b>
<b>2025-27 Total Funding</b>	<b>86.25</b>	<b>\$1,708,858,300</b>	<b>\$1,280,545,832</b>	<b>\$2,989,404,132</b>

Federal funds included in other funds

\$447,999,434

Total ongoing changes - Percentage of base level

0.0%

(1.2%)

14.3%

4.9%

Total changes - Percentage of base level

0.0%

(1.2%)

14.8%

5.1%