

**Department of Public Instruction
Budget No. 201
House Bill Nos. 1013, 1015, and 1395**

	FTE Positions	General Fund	Other Funds	Total
2021-23 legislative appropriations	86.25	\$1,658,396,873	\$1,277,933,750	\$2,936,330,623
2021-23 base budget	89.25	1,721,161,137	812,553,743	2,533,714,880
Legislative increase (decrease) to base budget	(3.00)	(\$62,764,264)	\$465,380,007	\$402,615,743

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 legislative appropriations	\$1,658,196,873	\$200,000	\$1,658,396,873
2019-21 legislative appropriations	1,721,161,137	200,000	1,721,361,137
2021-23 legislative increase (decrease) to 2019-21 appropriations	(\$62,964,264)	\$0	(\$62,964,264)
Percentage increase (decrease) to 2019-21 appropriations	(3.7%)	N/A	(3.7%)

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes			\$2,878	\$2,878
Added funding to provide employee salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2.0 percent on July 1, 2022		\$132,550	287,955	420,505
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,428.77 per month		1,387	2,942	4,329
Transferred 3 FTE positions and related salaries of \$600,000 and operating expenses of \$100,000 to the Department of Human Services pursuant to House Bill No. 1416 relating to the administration of an early childhood education program for 4-year olds	(3.00)	(300,000)	(400,000)	(700,000)
Adjusted the funding source for professional fees related to accreditation support to provide funding from school district reimbursements for services		(1,012,000)	1,012,000	0

Reduced funding for other professional fees	(83,293)		(83,293)
Increased funding for information technology fees	288,000		288,000
Added funding for Microsoft Office 365 licensing expenses	2,495		2,495
Removed funding for ACT and WorkKeys testing fees pursuant to Senate Bill No. 2141	(780,000)		(780,000)
Decreased funding for integrated formula payments for savings related to a reduction in the cost to continue	(16,868,441)		(16,868,441)
Adjusted the funding source for integrated formula payments to provide for an increase in funds available from the state tuition fund	(55,256,000)	55,256,000	0
Increased funding for integrated formula payments for changes to the state school aid formula approved in House Bill No. 1388, including \$33,454,500 from the foundation aid stabilization fund. (See the section related to Integrated Formula Payments below for details related to the fiscal impact of formula changes.)	12,036,512	33,454,500	45,491,012
Added funding for the fiscal impact of increased participation in summer school related to House Bill No. 1436	1,300,000		1,300,000
Added funding for the fiscal impact of House Bill No. 1246 related to eliminating the deduction of tuition paid with federal impact aid	3,700,000		3,700,000
Increased funding for special education contract grants to provide a total of \$27 million from the general fund	3,000,000		3,000,000
Increased funding for transportation grants, pursuant to reimbursement changes approved in House Bill No. 1027, to provide a total of \$58.1 million from the general fund	1,600,000		1,600,000
Increased federal funding to allow the department to accept and spend federal funds related to a comprehensive literacy development grant		25,676,188	25,676,188
Reduced funding for the Superintendent of Public Instruction's flexible funding pool, included in the grants - program and passthrough line item, and adjusted the funding source to provide a total of \$900,000 from other funds made available from continuing unexpended 2019-21 biennium integrated formula payment authority for certain programs and initiatives administered by the Superintendent, including:	(1,500,000)	900,000	(600,000)
<ul style="list-style-type: none"> • Leveraging the senior year; • Leadership program; and • Family engagement initiatives. 			
(See the section related to Program and Passthrough Grants and the Program Grant Pool below.)			

Increased funding for program grants, included in the grants - program and passthrough line item, and adjusted the funding source to provide program grants from other funds made available from continuing unexpended 2019-21 biennium integrated formula payment authority	(6,180,000)	6,580,000	400,000
Increased funding for passthrough grants, included in the grants - program and passthrough line item, and adjusted the funding source to provide passthrough grants from other funds made available from continuing unexpended 2019-21 biennium integrated formula payment authority	(2,863,764)	2,907,064	43,300
Decreased funding for PowerSchool to provide a total of \$5.25 million from the general fund	(250,000)		(250,000)
Increased funding for national board certification to provide a total of \$176,290 from the general fund	68,290		68,290
Added one-time funding from other funds made available from continuing unexpended 2019-21 biennium integrated formula payment authority for a passthrough grant to the Gateway to Science Center in Bismarck for the development of science experiments, including space needed for the experiments		13,500,000	13,500,000
Added one-time funding for state automated reporting system (STARS) application maintenance	200,000		200,000
Added one-time funding from the federal Coronavirus Relief Fund for grants to regional education associations. The funding must be allocated based on enrollment in after school programs and distributed on a reimbursement basis for eligible expenditures.		250,000	250,000
Added one-time funding from the federal Coronavirus Capital Projects Fund for a grant to an entity for the development of a children's science center in Minot (House Bill No. 1015)		5,900,000	5,900,000
Added one-time funding from the federal Elementary and Secondary School Emergency Education Relief (ESSER) Fund and other federal funds for grants to school districts, state discretionary programs, individuals with disabilities education programs, emergency assistance to nonpublic schools, and homeless children and youth programs (House Bill No. 1395)		320,050,480	320,050,480
Total	<u>(3.00)</u>	<u>(\$62,764,264)</u>	<u>\$465,380,007</u>

FTE Changes

The Legislative Assembly approved 86.25 FTE positions for the Department of Public Instruction (DPI) for the 2021-23 biennium, a decrease of 3 FTE positions from the 2019-21 biennium. The Legislative Assembly transferred 3 FTE positions related to early childhood development to the Department of Human Services pursuant to House Bill No. 1416.

One-Time Funding

In Section 2 of House Bill No. 1013, the Legislative Assembly identified \$13.95 million of one-time funding, of which \$200,000 is from the general fund and \$13.75 million is from special funds. One-time funding is provided from the general fund for STARS application maintenance (\$200,000), from other funds made available from carryover of unexpended 2019-21 biennium integrated formula payment authority for a passthrough grant to the Gateway to Science Center in Bismarck for the development of science experiments, including space needed for the experiments (\$13.5 million), and from the federal Coronavirus Relief Fund for grants to regional education associations (\$250,000).

In House Bill No. 1015, the Legislative Assembly provided one-time funding from the federal Coronavirus Capital Projects Fund for a grant to an entity for the development of a children's science center in Minot (\$5.9 million).

In House Bill No. 1395, the Legislative Assembly provided one-time funding from the federal ESSER Fund and other federal funds for grants to school districts, state discretionary programs, individuals with disabilities education programs, emergency assistance to nonpublic schools, and homeless children and youth programs (\$320,050,480).

2019-21 Biennium Appropriations

In Section 14 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 2019-21 biennium, any money remains in the integrated formula payments line item, the Office of Management and Budget must continue \$23,887,064 and transfer the funding to the public instruction fund for the purpose of providing program and passthrough grants during the 2021-23 biennium.

In Section 15 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 2019-21 biennium, any money remains in the integrated formula payments line item, up to \$250,000 must be continued into the 2021-23 biennium to continue a dyslexia screening pilot program.

In Section 16 of House Bill No. 1013, the Legislative Assembly allowed the Superintendent of Public Instruction to continue up to \$600,000 of the unexpended amount remaining from the 2019-21 biennium one-time appropriation of \$1.2 million from the foundation aid stabilization fund for the STARS rewrite into the 2021-23 biennium for the purpose of continuing the STARS rewrite.

After providing for these exemptions, DPI anticipates \$58.9 million of the department's 2019-21 general fund appropriation will be unspent at the end of the biennium.

State School Aid - Integrated Formula Payments, Transportation Aid, Special Education Contracts, and Rapid Enrollment Grants

The Legislative Assembly appropriated \$2,216,925,000, of which \$1,640,450,500 is from the general fund, \$143,454,500 is from the foundation aid stabilization fund, and \$433,020,000 is from the state tuition fund, for state school aid, including integrated formula payments, transportation aid, and special education contracts. This level of funding represents an increase of \$35,222,571, including increases in funding of \$30,454,500 from the foundation aid stabilization fund and \$55,256,000 from the state tuition fund offset by a decrease in funding from the general fund of \$50,487,929, from the 2019-21 legislative appropriation of \$2,181,702,429. (See the schedules following this section for a comparison of state school aid and other grants for the 2019-21 and 2021-23 bienniums.)

Integrated Formula Payments

In 2013 the Legislative Assembly approved the implementation of a new integrated formula payment to provide school funding. 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 2021-23 biennium, the integrated payment rates are increased 1 percent each year of the biennium to provide \$10,136 during the 1st year of the biennium and \$10,237 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.

For the 2021-23 biennium, the Legislative Assembly provided an appropriation of \$2,131,825,000, of which \$1,555,350,500 is from the general fund, \$143,454,500 is from the foundation aid stabilization fund, and \$433,020,000 is from the state tuition fund, for state school aid for integrated formula payments. This level of funding represents an increase of \$33,622,571, including a decrease in funding of \$55,087,929 from the general fund and increases in funding of \$33,454,500 from the foundation aid stabilization fund and \$55,256,000 from the state tuition fund, from the 2019-21 biennium appropriation for integrated formula payments of \$2,098,202,429.

The Legislative Assembly approved increases in integrated formula payments totaling \$33.6 million from the base budget, including \$16.9 million of savings related to a reduction in the cost to continue and \$50.5 million for state school aid formula changes. Increases approved by the Legislative Assembly and other adjustments to the state school aid formula are summarized as follows:

	State School Aid Formula Adjustments Increase (Decrease)	Integrated Formula Payments
2019-21 biennium base budget integrated formula payments		\$2,098,202,429
Reduction in funding for projected 2021-23 biennium cost to continue, including formula changes approved in 2019 and student growth		(16,868,441)
Total cost to continue integrated formula payments during the 2021-23 biennium		\$2,081,333,988
Increased funding for changes to the small school weighting factors (House Bill No. 1388)	\$7,600,000	
Increased funding for changes to the weighting factors of reorganized school districts (House Bill No. 1388)	3,591,012	
Increased funding to provide a 1 percent increase in the per-student payment rate in each year of the biennium (House Bill No. 1388)	34,300,000	
Increased funding due to anticipated increases in participation in summer school (House Bill No. 1436)	1,300,000	
Increased funding due to eliminating the formula deduction for tuition paid with federal impact aid (House Bill No. 1246)	3,700,000	
Total adjustments to integrated formula payments related to state school aid formula changes		50,491,012
Total 2021-23 biennium integrated formula payments		\$2,131,825,000

Transportation Aid Grants

The Legislative Assembly provided \$58.1 million from the general fund for transportation aid during the 2021-23 biennium. This level of funding is \$1.6 million more than 2019-21 biennium funding of \$56.5 million from the general fund. This level of funding will allow reimbursement rates to remain the same as the 2019-21 biennium. Section 8 of House Bill No. 1013 requires DPI to distribute transportation aid for the 2021-23 biennium based on the state transportation formula as it existed on June 30, 2001, except that the department is to provide reimbursement at the rate 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 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.

In addition, 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. House Bill No. 1027 also allows for 2021-23 biennium transportation aid grants to

be determined using the greater of 2018-19 school year miles and rides or prior year miles and rides, resulting in an estimated \$1.6 million increase in transportation aid grants for the biennium.

Special Education Contracts

The Legislative Assembly provided \$27 million from the general fund for special education contracts during the 2021-23 biennium. This level of funding is \$3 million more than 2019-21 biennium funding of \$24 million from the general fund. The Legislative Assembly, in Section 5 of House Bill No. 1013 (2021), provided the Superintendent of Public Instruction may expend funds provided for integrated formula payments and grants - special education contracts during the 2021-23 biennium for paying grants for educational services that were due in the 2019-21 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2021. To be reimbursed under this section, claims must be properly supported and filed with the Superintendent of Public Instruction by June 30, 2022. In addition to special education contracts, the state school aid formula provides approximately \$224 million through the integrated formula payments line item for special education and prekindergarten special education average daily membership and weighting factors.

Regional Education Association Incentives

The Legislative Assembly provided funding for annual state aid grants to be distributed equally to all regional education associations. Section 10 of House Bill No. 1013 (2021) identifies \$500,000 from the general fund included in the integrated formula payments line item for the purpose of providing annual grants to regional education associations during the 2021-23 biennium. An annual grant of \$35,714 is provided to each regional education association that exists as of July 1, 2021, and regional education associations that merge during the 2021-23 biennium are entitled to the annual grants that would have been paid to each of the member associations. In addition to regional education association grants, the state school aid formula provides approximately \$4.7 million through the integrated formula payments line item for regional education associations based on the average daily membership of member school districts.

The Legislative Assembly also appropriated \$250,000 of one-time funding from the federal Coronavirus Relief Fund to DPI for grants to regional education associations. The funding must be allocated based on enrollment in after school programs and distributed on a reimbursement basis for eligible COVID-19-related expenditures.

Program and Passthrough Grants and the Program Grant Pool

The Legislative Assembly provided a total of \$23,887,064 from other funds made available from continuing unexpended 2019-21 biennium integrated formula payment funding for programs administered by DPI (\$7,480,000), including a program grant pool, and passthrough grants (\$16,407,064) for writing projects, art outreach, educational media services, teacher mentoring, civics programs, cultural heritage, and a one-time Bismarck Gateway to Science grant. This level of funding is \$13,343,300 more than the 2019-21 biennium general fund appropriation for program and passthrough grants of \$10,543,764.

The 2021-23 biennium program grant pool provides a flexible funding pool of \$900,000 for initiatives and various program grants. This level of funding for the program grant pool is \$600,000 less than the 2019-21 biennium legislative general fund appropriation of \$1.5 million for the program grant pool. Funding is provided in the program grant pool for leveraging the senior year, a leadership program, and family engagement initiatives. Funding is no longer provided in the program grant pool for continuing education grants, preschool continuing education grants, curriculum alignment grants, teacher and principal evaluation system grants, and transportation efficiency.

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

	Increase (Decrease)	Total Other Funds
Adult education matching grants ¹	\$600,000	\$5,000,000
Program grant pool ¹	(600,000)	900,000
School food services matching grants ¹		1,380,000
Leadership professional development	(200,000)	0
Free breakfast program		200,000
Total 2021-23 program grants	(\$200,000)	\$7,480,000

¹Section 9 of House Bill No. 1013 precludes federal funds from being used for adult education matching grants, school food services matching grants, program grant pool initiatives, and the mentoring program.

The following is a summary of passthrough grants:

	Increase (Decrease)	Total Other Funds
Mentoring program ¹	\$0	\$2,125,764
National writing projects	0	50,000
Rural art outreach project	65,000	425,000
North Central Council for Educational Media Services	(35,700)	202,300
"We the People" program	20,000	70,000
Cultural heritage grants	(6,000)	34,000
One-time grant to the Bismarck Gateway to Science Center	13,500,000	13,500,000
Total 2021-23 passthrough grants²	\$13,543,300	\$16,407,064

¹Section 9 of House Bill No. 1013 precludes federal funds from being used for adult education matching grants, school food services matching grants, program grant pool initiatives, and the mentoring program.

²In addition to the passthrough grants provided in House Bill No. 1013, the Legislative Assembly, in House Bill No. 1015, provided \$5.9 million from the federal Coronavirus Capital Projects Fund for a passthrough grant to an entity for the development of a children's science center in Minot.

Federal COVID-19 Funding - 2019-21 Biennium

The following is a summary of federal COVID-19 funding appropriated by the Legislative Assembly to DPI for the 2019-21 biennium:

	Federal Funds - 2019-21 Biennium
Federal coronavirus relief funds - Broadband grants (House Bill No. 1395)	\$500,000
Federal coronavirus relief funds - Education corps grants (House Bill No. 1395)	30,000,000
Federal coronavirus relief funds - K-12 COVID resiliency grants (House Bill No. 1395)	33,816,217
Subtotal federal coronavirus relief funds	\$64,316,217
ESSER Fund I and II distributions - Grants allocated to school districts (House Bill No. 1394)	\$144,603,071
ESSER Fund I and II distributions - DPI - State discretionary (House Bill No. 1394)	13,661,117
Governor's Emergency Education Relief (GEER) Fund (House Bill No. 1394)	3,998,745
Subtotal ESSER Fund I and II distributions and GEER Fund	\$162,262,933
Total 2019-21 biennium federal COVID-19 funding	\$226,579,150

Federal COVID-19 Funding - 2021-23 Biennium

The following is a summary of federal COVID-19 funding appropriated by the Legislative Assembly to DPI for the 2021-23 biennium:

	Federal Funds - 2021-23 Biennium
ESSER Fund III distribution - Grants allocated to school districts (House Bill No. 1395)	\$274,740,191
ESSER Fund III distribution - DPI - State discretionary (House Bill No. 1395)	30,526,688
Individuals with Disabilities Education Act grant (House Bill No. 1395)	8,632,569
Emergency Assistance to Non-public Schools program grant (House Bill No. 1395)	4,151,371
Education for Homeless Children and Youth program grant (House Bill No. 1395)	1,999,661
Federal coronavirus relief funds - Regional education association grants (House Bill No. 1013)	250,000
Federal Coronavirus Capital Projects Fund - Grant to a children's science center in Minot (House Bill No. 1015)	5,900,000
Total 2021-23 biennium federal COVID-19 funding	\$326,200,480

Other Sections in House Bill No. 1013

Tuition apportionment - Section 3 provides that any money available in the state tuition fund in excess of the \$433,020,000 appropriated in Section 1 of the bill is appropriated to DPI for distribution to school districts.

Foundation aid stabilization fund - Section 4 identifies \$143,454,500 from the foundation aid stabilization fund appropriated for integrated formula payments.

Payments for 2019-21 biennium educational services - Section 5 provides that DPI may use money appropriated for integrated formula payments and special education contracts for the 2021-23 biennium to pay claims due during the 2019-21 biennium, but not filed with the department until the 2021-23 biennium. To be reimbursed, claims must be properly supported and filed with the Superintendent of Public Instruction by June 30, 2022.

Gifted and talented program funding - Section 6 provides that DPI use \$800,000 of the 2021-23 legislative appropriation for integrated formula payments for reimbursing school districts or special education units for gifted and talented programs. The department is to encourage cooperative efforts for gifted and talented programs among school districts and special education units.

Medicaid matching and school approval withholding and distribution - Section 7 provides state school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the Medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by DPI to the Department of Human Services on behalf of the school district or unit. In addition, Section 7 authorizes the department to withhold funds required to be paid by school districts for school approval from state school aid payments.

Transportation grants - Section 8 requires DPI to distribute transportation aid for the 2021-23 biennium based on the state transportation formula as it existed on June 30, 2001, except that the department is to provide reimbursement at the rate 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 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.

In addition, 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.

Condition on appropriation for program and passthrough grants - Section 9 precludes federal funds from being used for adult education matching grants, school food services matching grants, program grant pool initiatives, and the mentoring program.

Regional education association grants - Section 10 identifies \$500,000 from the general fund included in the integrated formula payments line item for providing annual grants to regional education associations during the 2021-23 biennium. An annual grant of \$35,714 is provided to each regional education association that exists as of July 1, 2021, and regional education associations that merge during the 2021-23 biennium are entitled to the annual grants that would have been paid to each of the member associations.

Postsecondary transitional grant program funding - Section 11 authorizes the Superintendent of Public Instruction to provide funding from the integrated formula payments line item for postsecondary transitional programs established in Senate Bill No. 2269.

Use of new money - Nonadministrative personnel compensation increases - Section 12 requires school districts to use 70 percent of increased funding related to any increases in the integrated formula payment rate for compensation increases for nonadministrative personnel and the Superintendent of Public Instruction to provide guidance to school districts regarding the calculation of the amount of new money resulting from increases in the base integrated formula payment rate during the 2021-23 biennium.

Exemption - Deposits into the department's operating account - Section 13 provides that, notwithstanding North Dakota Century Code Section 54-44.1-15, DPI may deposit indirect cost recoveries, any money collected by DPI for general educational development fees, and displaced homemakers deposits in its operating account. Section 54-44.1-15 otherwise provides that these funds be deposited in the general fund.

2019-21 biennium funding exemption and transfer - Section 14 provides that if, after the Superintendent of Public Instruction complies with all statutory payment obligations imposed for the 2019-21 biennium, any money remains in the integrated formula payments line item, the lesser of \$23,887,064 or the remaining amount must be continued into the 2021-23 biennium and the Office of Management and Budget must transfer this amount into the public instruction fund for the purpose of providing program and passthrough grants.

2019-21 biennium funding exemption and authorization - Section 15 provides that if, after the Superintendent of Public Instruction complies with all statutory payment obligations imposed for the 2019-21 biennium, any money remains in the integrated formula payments line item, up to \$250,000 must be continued into the 2021-23 biennium for the purpose of defraying the expenses of the dyslexia screening pilot program.

2019-21 biennium funding exemption and authorization - Section 16 provides up to \$600,000 of the unexpended amount remaining from the 2019-21 biennium one-time appropriation of \$1.2 million from the foundation aid stabilization fund for the STARS rewrite may be continued into the 2021-23 biennium for the purpose of continuing the STARS rewrite.

Salary of the Superintendent of Public Instruction - Section 19 amends Section 15.1-02-02 to provide the statutory changes to increase the Superintendent of Public Instruction's salary. The Superintendent's annual salary would increase from the current level of \$125,880 to \$127,768, effective July 1, 2021, and to \$130,323, effective July 1, 2022, to reflect a 1.5 percent salary increase in the 1st year of the biennium and a 2 percent salary increase in the 2nd year of the biennium.

School health technician certificate - Section 20 amends Section 15.1-02-16 to allow the Superintendent of Public Instruction to develop a certificate for school health technicians.

Elementary school counselors - Section 21 amends Section 15.1-06-19 related to school counselors to require each school district have one school counselor for every 300 students in kindergarten through grade 6.

Administrative cost-sharing reimbursement - Section 22 amends Section 15.1-27-16 to provide DPI reimburse school districts and special education units for administrative cost-sharing. The reimbursement program is only effective through June 30, 2024.

Legislative Management study of school construction funding - Section 23 provides for a Legislative Management study of the feasibility and desirability of using up to 1 percent of common schools trust fund assets annually for school construction grants.

Legislative Management report - Learning loss, accelerated learning recovery, and ESSER funds - Section 24 requires the Superintendent of Public Instruction to collect school district reports regarding learning loss and gaps, school district plans to accelerate learning recovery, and uses of ESSER funding and to report to the Legislative Management and the 68th Legislative Assembly.

Expiration date - Section 25 provides the administrative cost-sharing reimbursement program established in Section 22 is only effective through June 30, 2024.

Emergency - Section 26 provides \$12 million appropriated from the federal Coronavirus Relief Fund, of which \$6,565,432 is in the operating expenses line item and \$5,434,568 is in the grants line item in Section 1 and identified in Sections 2 and 8 of Senate Bill No. 2018, as approved by the 67th Legislative Assembly, and the \$100,000 appropriated from the general fund for a motion picture production and recruitment grant in the grants line item in Section 1 and identified in Section 2 of Senate Bill No. 2018, as approved by the 67th Legislative Assembly, are declared to be an emergency measure.

Emergency - Section 27 declares Senate Bill No. 2317, as approved by the 67th Legislative Assembly, to be an emergency measure.

Related Legislation

House Bill No. 1027 - Codifies student **transportation aid payment** sections as the provisions existed on June 30, 2001, updates provisions to reflect current practices and reimbursement rates, and prohibits school districts from receiving transportation reimbursement for certain students participating in open enrollment and tuition waiver agreements. The bill also allows for 2021-23 biennium transportation aid grants to be determined using the greater of 2018-19 school year miles and rides or prior year miles and rides.

House Bill No. 1028 - Allows a school district to temporarily transfer **excess ending general fund balance** funds, accruing as a result of the COVID-19 pandemic, between the general fund and the building fund of the school district.

House Bill No. 1246 - Phases out the deduction of **tuition received through federal impact aid funds** in the state school aid formula over 6 years beginning with the 2021-22 school year. A fiscal note prepared by DPI indicates a \$3.7 million general fund increase in funding for integrated formula payments during the 2021-23 biennium.

House Bill No. 1388 - Provides various statutory changes related to **virtual learning**, including the average daily membership of students enrolled in virtual instruction, and physical plant references; allows **regional education associations** to serve nonmember districts; establishes reading instruction competency for **teacher licensing**; and requires reading curriculum **professional development**. The bill provides for a **Legislative Management study** of transition minimum and maximum adjustments, reorganized school districts, high-cost students, human resource allocation in school buildings, and student performance relative to virtual learning. The bill also provides for a report to Legislative Management regarding a study by the **Kindergarten Through Grade Twelve Education Coordination Council** of the membership, duties, and term limits of the council.

In addition to education policy changes, the bill also provides for the following **state school aid funding formula changes**:

- **Increases school weighting factors** - Section 10 amends Section 15.1-27-03.2 related to school district size weighting factors to adjust the school size weighting factors for school districts that do not have a high school and for school districts that operate multiple buildings at least 19 miles apart and to phase in school size weighting factor increases over 7 years beginning with the 2021-22 school year.
- **Integrated formula payment rate** - Section 11 amends Section 15.1-27-04.1 related to state aid to increase the per student payment by 1 percent each year of the biennium, to provide \$10,136 per weighted student unit in the 2021-22 school year and \$10,237 per weighted student unit in the 2022-23 school year.
- **Transition maximum payments** - Section 11 amends Section 15.1-27-04.1 related to state aid to begin phasing out transition maximum adjustments to the state school aid formula over 5 years, beginning in the 2023-24 school year.

House Bill No. 1394 - Provides an appropriation of \$162,262,933 of federal funds for **COVID-19-related expenditures for the remainder of the 2019-21 biennium** and the 2021-23 biennium. Funding is from ESSER I and II allocations, including DPI discretionary funds, and from the federal GEER Fund.

House Bill No. 1395 - Provides an appropriation of \$500,000 for broadband grants from ITD and \$63,816,217 for federal **Coronavirus Relief Fund spending authority approved for DPI for the 2019-21 biennium** by the Emergency Commission and Budget Section. In addition, the bill provides a **2021-23 biennium** appropriation of \$320,050,480 from the ESSER III distribution, including grants to school districts and DPI discretionary funds, and federal Individuals with Disabilities Education Act funding, Emergency Assistance to Non-public Schools program funding, and Education for Homeless Children and Youth program funding.

House Bill No. 1416 - Transfers 3 FTE positions related to **early childhood education** from DPI to the Department of Human Services for the purpose of administering a 4-year old program. A fiscal note prepared by the Department of Human Services indicates a transfer of \$700,000, including 3 FTE positions.

House Bill No. 1436 - Removes the remedial requirement for students in grades K-4 in mathematics and reading to attend **summer school**. A fiscal note prepared by DPI indicates a \$1.3 million general fund increase in funding for integrated formula payments related to expanded summer school.

Senate Bill No. 2028 - Repeals Section 15.1-03-03 relating to the Superintendent of Public Instruction **revolving printing fund** and continuing appropriation.

Senate Bill No. 2141 - Removes the requirement that DPI pay for **ACT and WorkKeys** tests for students and allows additional approved tests for the scholar's program. A fiscal note prepared by DPI indicates net general fund savings of \$599,750.

Senate Bill No. 2165 - Adjusts the calculation of **school district ending fund balance** to exclude federal impact aid before deducting the excess balance from state aid formula payments. A fiscal note prepared by DPI indicates, because the department does not budget for ending fund balance deductions in the state school aid formula, the fiscal impact cannot be determined.

Senate Bill No. 2269 - Establishes a **postsecondary transitional grant program** for students age 18 through 21 with documented intellectual or developmental disabilities. The bill would redirect foundation aid payments to approved postsecondary transitional programs by allowing postsecondary transitional programs to receive foundation aid money if the student is on an individualized education program and qualifies for services until the age of 22.