Sixty-second Legislative Assembly of North Dakota

#### **SENATE BILL NO. 2013**

Introduced by

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**Appropriations Committee** 

(At the request of the Governor)

A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide for the distribution of funding for regional education association grants, alternative education program grants, gifted and talented programs and other grants; to provide a contingent appropriation; to amend and reenact section 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction; to repeal section 15.1-13-33 of the North Dakota Century Code, relating to the national board certification fund; to provide an exemption; to provide for a transfer; to amend sections 54 and 59 of chapter 175 of the 2009 Session Laws, relating to funds appropriated for transportation and state school aid; and to declare an emergency.

### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

12 SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds 13 as may be necessary, are appropriated out of any moneys in the general fund in the state 14 treasury, not otherwise appropriated, and from special funds derived from federal funds and 15 other income, to the department of public instruction, the school for the deaf, North Dakota 16 vision services - school for the blind, and the state library for the purpose of defraying the 17 expenses of those agencies, for the biennium beginning July 1, 2011, and ending June 30, 18 2013, as follows: 19 Subdivision 1. 20 DEPARTMENT OF PUBLIC INSTRUCTION 21 Adjustments or 22 Base Level **Enhancements** <u>Appropriation</u> 23 Salaries and wages \$13,504,455 \$904,845 \$14,409,300 24 Operating expenses 30,770,801 (1,119,614)29,651,187

1	Operating expenses	30,770,801	(1,019,614)	29,751,187
2	Grants - State school aid	722,725,958	196,733,520	919,459,478
3	Grants - Special education contracts	15,500,000	500,000	16,000,000
4	Grants - Supplemental one-time	85,644,337	(85,644,337)	0
5	Grants - Supplemental operations	16,795,584	(16,795,584)	0
6	Grants - Transportation	43,500,000	5,000,000	48,500,000
7	Grants - Other grants	245,203,721	57,526,761	302,730,482
8	Grants - Other grants	245,203,721	57,760,261	302,963,982
9	Grants - Mill levy reduction	295,000,000	46,790,000	341,790,000
10	ATCS review panel	0	300,000	300,000
11	Education jobs fund	0	21,517,716	21,517,716
12	Transportation efficiency	30,000	0	30,000
13	National board certification	102,500	82,500	<u>185,000</u>
14	Total all funds	<del>\$1,468,777,356</del>	\$225,795,807	<del>\$1,694,573,163</del>
15	Total all funds	\$1,468,777,356	\$225,829,307	\$1,694,606,663
16	Less estimated income	<u>360,597,766</u>	431,910,657	792,508,423
17	Less estimated income	360,597,766	432,395,657	792,993,423
18	Total general fund	<del>\$1,108,179,590</del>	(\$206,114,850)	\$902,064,740
19	Total general fund	\$1,108,179,590	(\$206,566,350)	\$901,613,240
20	Full-time equivalent positions	99.75	0.00	99.75
21	Subdivision 2.			
22		STATE LIBRA	ARY .	
23			Adjustments or	
24		Base Level	<b>Enhancements</b>	<u>Appropriation</u>
25	Salaries and wages	\$3,193,791	\$256,568	\$3,450,359
26	Operating expenses	1,482,573	213,153	1,695,726
27	Grants	<u>1,852,500</u>	400,000	2,252,500
28	Total all funds	\$6,528,864	\$869,721	\$7,398,585
29	Less estimated income	<u>1,927,836</u>	206,774	2,134,610
30	Total general fund	\$4,606,028	\$662,947	\$5,263,975
31	Full-time equivalent positions	29.75	0.00	29.75

1	Subdivision 3.			
2		SCHOOL FOR TH	E DEAF	
3	Adjustments or			
4		Base Level	<b>Enhancements</b>	<u>Appropriation</u>
5	Salaries and wages	\$5,429,998	\$502,640	\$5,932,638
6	Operating expenses	1,572,603	61,308	1,633,911
7	Capital assets	327,745	712,485	1,040,230
8	Grants	200,000	<u>0</u>	200,000
9	Total all funds	\$7,530,346	\$1,276,433	\$8,806,779
10	Less estimated income	<u>1,331,450</u>	<u>756,557</u>	<u>2,088,007</u>
11	Total general fund	\$6,198,896	\$519,876	\$6,718,772
12	Full-time equivalent positions	43.94	0.00	43.94
13	Subdivision 4.			
14	VISION	SERVICES - SCHOO	L FOR THE BLIND	
15			Adjustments or	
16		Base Level	<b>Enhancements</b>	<u>Appropriation</u>
17	Salaries and wages	\$3,531,264	\$284,561	\$3,815,825
18	Operating expenses	667,006	84,500	751,506
19	Contingency	0	300,000	300,000
20	Capital assets	<u>39,500</u>	<u>8,500</u>	48,000
21	Capital assets	39,500	25,500	65,000
22	Total all funds	\$4,237,770	<del>\$677,561</del>	<del>\$4,915,331</del>
23	Total all funds	\$4,237,770	\$394,561	\$4,632,331
24	Less estimated income	<u>815,902</u>	<u>19,189</u>	<u>835,091</u>
25	Total general fund	<del>\$3,421,868</del>	<del>\$658,372</del>	\$4,080,240
26	Total general fund	\$3,421,868	\$375,372	\$3,797,240
27	Full-time equivalent positions	29.50	0.00	29.50
28	Subdivision 5.			
29		BILL TOTAL	L	

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1			Adjustments or	
2	ı	Base Level	<b>Enhancements</b>	<u>Appropriation</u>
3	Grand total general fund	\$1,122,401,382	(\$204,273,655)	\$918,127,727
4	Grand total general fund	\$1,122,401,382	(\$205,008,155)	\$917,393,227
5	Grand total special funds	\$364,672,954	\$432,893,177	<del>\$797,566,131</del>
6	Grand total special funds	\$364,672,954	\$433,378,177	\$798,051,131
7	Grand total all funds	\$1,487,074,336	\$228,619,522	<del>\$1,715,693,858</del>
8	Grand total all funds	\$1,487,074,336	\$228,370,022	\$1,715,444,358

## SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

**SIXTY-THIRD LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

13	One-Time Funding Description	2009-11	<u>2011-13</u>
14	Department of public instruction		
15	IT application rewrite and maintenance	\$500,000	\$384,000
16	—ESPB database	0	200,000
17	National board certification fund	500,000	0
18	Federal fiscal stimulus - School aid	85,644,337	0
19	Federal fiscal stimulus - Other	67,379,051	0
20	Geographic alliance endowment	226,000	<u>0</u>
21	—Total department of public instruction - All funds	\$154,249,388	<del>\$584,000</del>
22	Total department of public instruction - All funds	\$154,249,388	\$384,000
23	Total department of public instruction -	153,023,388	<u>0</u>
24	Estimated income		
25	Total department of public instruction -	\$1,226,000	<del>\$584,000</del>
26	Total department of public instruction -	\$1,226,000	\$384,000
27	General fund		
28	School for the deaf		
29	Virtual services business plan	\$25,000	\$0
30	Facility master plan	41,000	0
31	Extraordinary repairs	0	103,800

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1	Trades building remodel	<u>1,670,000</u>	<u>0</u>
2	Total school for the deaf - All funds	\$1,736,000	\$103,800
3	Total school for the deaf - Estimated income	<u>835,000</u>	<u>0</u>
4	Total school for the deaf - General fund	\$901,000	\$103,800
5	School for the blind - Vision services		
6	- Equipment	\$39,200	\$8,500
7	Equipment	\$39,200	\$25,500
8	Window replacement	31,000	0
9	Contingency	0	300,000
10	Facility master plan	0	20,000
11	Instructional equipment	<u>0</u>	<u>24,500</u>
12	Total school for the blind - All funds	\$70,200	\$353,000
13	Total school for the blind - All funds	\$70,200	\$370,000
14	Total school for the blind - Estimated income	<u>0</u>	<u>0</u>
15	Total school for the blind - General fund	\$70,200	\$353,000
16	Total school for the blind - General fund	\$70,200	\$370,000
17	Grand total - All funds	\$156,055,588	\$1,040,800
18	Grand total - All funds	\$156,055,588	\$857,800
19	Grand total - Estimated income	\$153,858,388	\$0
20	Grand total - General fund	\$2,197,200	\$1,040,800
21	Grand total - General fund	\$2,197,200	\$857,800
22	The 2011-13 one-time funding amounts are not a	part of the entity's t	pase budget for the
23	2013-15 biennium. The department of public instruction, school for the deaf, and school for the		
24	blind - vision services shall report to the appropri	ations committees o	f the sixty-third legislative

2013-15 biennium. The department of public instruction, school for the deaf, and school for the blind - vision services shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 3. APPROPRIATION.** There is appropriated from special funds derived from federal funds the sum of \$30,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for grants for the period beginning with the effective date of this Act and ending June 30, 2011.

	Legisiai	ive Assembly				
1	SEC	CTION 4. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$101,638,000,				
2	included	d in the grants - state school aid line item in subdivision 1 of section 1 of this Act, is from				
3	the state	e tuition fund in the state treasury. Any additional amount in the state tuition fund that				
4	become	s available for distribution to public schools is appropriated to the department of public				
5	instructi	on for that purpose for the biennium beginning July 1, 2011, and ending June 30, 2013.				
6	SEC	CTION 5. MILL LEVY REDUCTION GRANTS - FUNDING FROM PROPERTY TAX				
7	RELIEF	FUND. The grants - mill levy reduction and estimated income line items contained in				
8	subdivis	ion 1 of section 1 of this Act include \$341,790,000 from the property tax relief				
9	sustaina	ability fund which is appropriated to the department of public instruction for the purpose				
0	of provid	ding mill levy reduction grants to school districts during the biennium beginning July 1,				
11	2011, ar	nd ending June 30, 2013.				
2	SEC	CTION 6. STATE SCHOOL AID AND SPECIAL EDUCATION CONTRACTS				
3	EXPEN	DITURE AUTHORITY. The superintendent of public instruction may expend funds				
4	included	I in the grants - state school aid and grants - special education contracts line items in				
5	subdivis	ion 1 of section 1 of this Act in payment of grants for educational services that were due				
6	in the 2009-11 biennium but which were not filed, claimed, or properly supported by the					
7	education provider until after June 30, 2011.					
8	SEC	CTION 7. REGIONAL EDUCATION ASSOCIATIONS - GRANTS. During the 2011-13				
9	bienniur	m, the superintendent of public instruction shall expend up to \$800,000 from the grants -				
20	state school aid line item in subdivision 1 of section 1 of this Act for the purpose of providing an					
21	annual grant to each eligible regional education association in order to assist each association					
22	with the	cost of compensating a coordinator.				
23	1.	In order to receive a grant under this section, each regional education association				
24		must:				
25		a. Enter a contract with an individual to serve as a coordinator, on a full-time or a				
26		part-time basis, for a duration of at least twelve months; and				
27		b. Provide from other revenue sources at least thirty percent of the total				
28		compensation payable to the coordinator.				
29	2.	The maximum grant payable to a regional education association under this section				
30		during each year of the biennium is the lesser of \$50,000 or seventy percent of the				

total compensation payable to the coordinator.

#### **SECTION 8. ALTERNATIVE EDUCATION PROGRAM GRANTS - FUNDING -**

**DISTRIBUTION.** The sum of \$460,000, included in the grants - other education line item in subdivision 1 of section 1 of this Act must be distributed for the purpose of providing payments to eligible school districts that offer alternative education programs to students in grades six through eight, for the biennium beginning July 1, 2011, and ending June 30, 2013. In order to determine the payment per student, the superintendent of public instruction shall multiply the number of full-time equivalent students in grades six through eight who are enrolled during the 2012-13 school year in an average of at least fifteen hours per week of alternative education programming by a weighting factor that may not exceed 0.20.

SECTION 9. GIFTED AND TALENTED PROGRAM - FUNDING - DISTRIBUTION. The sum of \$800,000, included in the grants - state school aid line item in subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units. 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 the superintendent of public instruction to the department of human services on behalf of the school district or unit.

**SECTION 10. TEACHER OF THE YEAR PROGRAM.** The department of public instruction shall administer a teacher of the year program for the biennium beginning July 1, 2011, and ending June 30, 2013. The department of public instruction shall assign responsibility to its department staff to coordinate the annual event, including preparation of application materials, distribution of materials to the selection committee, publicity, and planning of the event at which the recipient of the award is announced. The selection committee appointed by the department of public instruction may not include more than one representative from any education-related organization or association.

**SECTION 11. INDIRECT COST ALLOCATION.** Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account.

1 SECTION 12. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in 2 subdivision 2 of section 1 of this Act includes \$1,500,000 for aid to public libraries, of which no 3 more than one-half is to be expended during the fiscal year ending June 30, 2012. 4 SECTION 13. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND 5 **OPERATING FUND.** Any moneys included in the estimated income line item in subdivision 4 of 6 section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the 7 North Dakota vision services - school for the blind operating fund in the state treasury and may 8 be spent subject to appropriation by the legislative assembly. 9 SECTION 14. VISION SERVICES - SCHOOL FOR THE BLIND CONTINGENCY. 10 1. The vision services - school for the blind may transfer from the contingency line item-11 contained in subdivision 4 of section 1 of this Act to other line items contained in that 12 subsection if the following conditions have been met: 13 The tenant of the school for the blind school building has notified the 14 superintendent of North Dakota vision services - school for the blind that it will not 15 renew its lease to occupy the premises. 16 North Dakota vision services - school for the blind has completed a facility master-17 plan regarding the use and condition of its facilities. 18 Up to \$300,000 may be transferred for the following purposes: 19 Up to \$150,000 to the salaries and wages and operating expenses line items, not 20 to exceed the actual amount of lost rental income resulting from the current-21 tenant not renewing its lease. 22 Up to \$150,000 to the capital assets line item for capital improvements: 23 (1) Determined necessary to meet the needs of a new tenant that has provided 24 a signed letter of intent to lease the premises. 25 (2) Determined to be in accordance with the facility master plan. 26 SECTION 14. SCHOOL FOR THE DEAF - EXEMPTION - TRANSFER. Up to \$835,000 of 27 the amount appropriated to the school for the deaf from the general fund, as provided in 28 chapter 13 of the 2009 Session Laws, for the trades building remodeling project and not spent 29 or obligated as of June 30, 2011, is not subject to the provisions of section 54-44.1-11 and shall 30 be transferred by the director of the office of management and budget to the school for the deaf 31 fund during the biennium beginning July 1, 2011, and ending June 30, 2013.

#### SECTION 15. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT

- **PROGRAM.** The grants line item contained in subdivision 3 of section 1 of this Act is for the purpose of providing grants to assist institutions under the control of the state board of higher education with the cost of interpreters and real-time captioning for students who are deaf or hard of hearing for the biennium beginning July 1, 2011, and ending June 30, 2013. Moneys appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed pursuant to the provisions of this section:
  - The school for the deaf shall develop a formula to determine the grant amount for which an institution is eligible. The formula must be based on a uniform hourly reimbursement.
  - To obtain a grant under this section, an institution shall submit to the school for the deaf, at the time and in the manner directed by the school, invoices showing the amount expended for interpreters and real-time captioning for students who are deaf or hard of hearing.
  - 3. The school for the deaf may not distribute more than fifty percent of the amount appropriated during the first year of the biennium.
  - 4. If any grant moneys remain undistributed at the end of the biennium, the school for the deaf shall provide additional prorated grants to institutions that incurred during the biennium hourly expenses in excess of the formula reimbursement level.
  - 5. At the request of an institution under the control of the state board of higher education, the school for the deaf shall consult with the institution and provide advice regarding the provision of services most appropriate to meet a student's needs.

# SECTION 16. CONTINGENT APPROPRIATION - SCHOOL DISTRICT DEFERRED MAINTENACE AND PHYSICAL PLANT IMPROVEMENT GRANTS.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$7,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2011, and ending June 30, 2013.

- 2. If the office of management and budget determines by April 30, 2012, that the June 30, 2012, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
- 3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2013, that the June 30, 2013, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
- 4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2014:
  - a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or
  - b. Return the funds to the superintendent of public instruction for deposit in the general fund.
- 5. For purposes of this section, an "eligible school district" is a school district that:
  - a. Has a general fund levy equal to at least one hundred fifty mills, before any reduction for property tax allocations under chapter 57-64;
  - b. Is not precluded from receiving state aid by the provisions of section15.1-27-35.3; and
  - c. Provides an equal monetary match for any amount received under this section.

**SECTION 17. AMENDMENT.** Section 54 of chapter 175 of the 2009 Session Laws is amended and reenacted as follows:

#### 1 **SECTION 54. TRANSPORTATION GRANTS - DISTRIBUTION.** 2 During each year of the 2009-11 biennium, the superintendent of public 1. 3 instruction shall calculate the payment to which each school district is entitled 4 based on the state transportation formula as it existed on June 30, 2001, except 5 that the superintendent shall provide reimbursement at the rate of: 6 Ninety-two cents per mile for schoolbuses having a capacity of ten or more 7 passengers; 8 Forty-four cents per mile for vehicles having a capacity of nine or fewer 9 passengers; and 10 Twenty-four cents per student for each one-way trip. 11 2. The superintendent of public instruction shall use the latest available student 12 enrollment count in each school district in applying the provisions of the 13 transportation formula as it existed on June 30, 2001. 14 If any moneys provided for transportation payments in the grants - transportation 3. 15 line item in the appropriation bill for the superintendent of public instruction, as 16 approved by the sixty-first legislative assembly, remain after application of the 17 formula provided for in this section, the superintendent of public instruction shall 18 prorate: 19 Reserve the first one million dollars, which is not subject to the provisions of <u>a.</u> 20 section 54-44.1-11 and must be used to provide per student payments 21 during the biennium beginning July 1, 2011, and ending June 30, 2013. 22 Prorate the remaining amounts according to the percentage of the total 23 transportation formula amount to which each school district is entitled. 24 4. This section does not authorize the reimbursement of any costs incurred in 25 providing transportation for student attendance at extracurricular activities or 26 events. 27 SECTION 18. AMENDMENT. Section 59 of chapter 175 of the 2009 Session Laws is 28 amended and reenacted as follows: 29 **SECTION 59. CONTINGENT MONEY - 2009-11.** 30 1. In determining the availability of contingent money under this section, the 31 superintendent of public instruction shall first add to the money in the grants -

1		stat	e school aid line item in the appropriation bill for the superintendent of public
2		inst	ruction, as approved by the sixty-first legislative assembly, any money that
3	was appropriated to the superintendent for special education contracts and when		
4	remains after the superintendent complied with all statutory special education		
5		con	tract payment obligations imposed for the biennium beginning July 1, 2009,
6		and	ending June 30, 2011.
7	2.	If ar	ny money that was appropriated to the superintendent of public instruction for
8		gran	nts - state aid payments to school districts or added to the grants - state
9		sch	ool aid line item in accordance with subsection 1 remains after the
10		sup	erintendent complies with all statutory payment obligations imposed for the
11		bier	nnium beginning July 1, 2009, and ending June 30, 2011, the superintendent
12		sha	ll <del>use</del> :
13		<u>a.</u>	Reserve the first eight million dollars, which is not subject to the provisions
14			of section 54-44.1-11 and must be used to provide per student payments
15			during the biennium beginning July 1, 2011, and ending June 30, 2013.
16		<u>b.</u>	<u>Use</u> the money to provide additional per student payments on a prorated
17			basis according to the latest available average daily membership of each
18			school district.
19	SECTION	l 19.	TRANSFER - NATIONAL BOARD CERTIFICATION FUND - GENERAL
20	FUND. The of	fice	of management and budget shall transfer any balance remaining in the
21	national board	d cer	tification fund at the end of the 2011-13 biennium to the general fund. For
22	purposes of th	nis se	ection, "at the end of the 2011-13 biennium" means after cancellation of
23	unexpended a	appro	opriations under section 54-44.1-1-11.
24	SECTION	20.	AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code is
25	amended and	reer	nacted as follows:
26	15.1-02-0	2. Sa	alary.
27	The annu	al sa	lary of the superintendent of public instruction is ninety-fiveone hundred two
28	thousand one	eigh <sup>:</sup>	t hundred sixteensixty-eight dollars through June 30, 20102012, and
29	ninety-nineon	e hu	ndred five thousand eightnine hundred seventy-twofifty-four dollars thereafter.
30	SECTION	21.	<b>REPEAL.</b> Section 15.1-13-33 of the North Dakota Century Code is repealed.

- 1 **SECTION 22. EMERGENCY.** Sections 3, <u>1517</u>, and <u>1618</u> of this Act and \$21,517,716
- 2 appropriated in the education jobs fund line item in subdivision 1 of section 1 of this Act are
- 3 declared to be an emergency measure.