

April 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1013

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 public instruction, the center for distance education, the state library, the school for the deaf,
3 and North Dakota vision services - school for the blind; to amend and reenact section
4 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of
5 public instruction; to provide for a transfer; to provide a report; and to provide an exemption.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from other funds derived from special funds and
10 federal funds, to the department of public instruction, the center for distance education, the
11 state library, the school for the deaf, and North Dakota vision services - school for the blind for
12 the purpose of defraying the expenses of those agencies, for the biennium beginning July 1,
13 2025, and ending June 30, 2027, as follows:

14 Subdivision 1.

15 DEPARTMENT OF PUBLIC INSTRUCTION

Adjustments or			
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$19,964,765	\$1,121,603	\$21,086,368
19 New and vacant FTE pool	0	695,495	695,495

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1	Operating expenses	32,793,320	9,718,204	42,511,524
2	Integrated formula payments	2,299,674,851	116,655,489	2,416,330,340
3	Grants - special education	24,000,000	0	24,000,000
4	Grants - transportation	58,100,000	5,400,000	63,500,000
5	Grants - other grants	382,738,893	29,705,709	412,444,602
6	Grants - program grants	17,205,000	7,011,027	24,216,027
7	Grants - passthrough grants	3,569,000	12,266,000	15,835,000
8	PowerSchool	5,775,000	(5,775,000)	0
9	Student information systems	0	5,775,000	5,775,000
10	National board certification	176,290	0	176,290
11	Total all funds	\$2,843,997,119	\$182,573,527	\$3,026,570,646
12	Less other funds	1,115,246,674	176,835,668	1,292,082,342
13	Total general fund	\$1,728,750,445	\$5,737,859	\$1,734,488,304
14	Salaries and wages	\$19,964,765	\$1,121,603	\$21,086,368
15	New and vacant FTE pool	0	695,495	695,495
16	Operating expenses	32,793,320	9,718,204	42,511,524
17	Integrated formula payments	2,299,674,851	137,446,632	2,437,121,483
18	Grants - special education	24,000,000	0	24,000,000
19	Grants - transportation	58,100,000	2,000,000	60,100,000
20	Grants - other grants	382,738,893	29,705,709	412,444,602
21	Grants - program grants	17,205,000	7,811,027	25,016,027
22	Grants - passthrough grants	3,569,000	1,166,000	4,735,000
23	PowerSchool	5,775,000	(5,775,000)	0
24	Student information systems	0	5,775,000	5,775,000
25	National board certification	176,290	0	176,290
26	Total all funds	\$2,843,997,119	\$189,664,670	\$3,033,661,789
27	Less other funds	1,115,246,674	86,170,668	1,201,417,342
28	Total general fund	\$1,728,750,445	\$103,494,002	\$1,832,244,447
29	Full-time equivalent positions	86.25	0.00	86.25

Subdivision 2.

CENTER FOR DISTANCE EDUCATION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Center for distance education	\$11,613,483	\$2,966,477	\$14,579,960
New and vacant FTE pool	0	361,061	361,061
Total all funds	\$11,613,483	\$3,327,538	\$14,941,021
Less other funds	4,550,000	1,974,000	6,524,000
Total general fund	\$7,063,483	\$1,353,538	\$8,417,021
Full-time equivalent positions	30.80	1.20	32.00
Center for distance education	\$11,613,483	\$2,966,477	\$14,579,960
New and vacant FTE pool	0	203,156	203,156
Total all funds	\$11,613,483	\$3,169,633	\$14,783,116
Less other funds	4,550,000	1,974,000	6,524,000
Total general fund	\$7,063,483	\$1,195,633	\$8,259,116
Full-time equivalent positions	30.80	0.20	31.00

Subdivision 3.

STATE LIBRARY

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,615,731	\$500,120	\$5,115,851
New and vacant FTE pool	0	107,552	107,552
Operating expenses	2,282,298	707,777	2,990,075
Grants	2,283,528	0	2,283,528
Total all funds	\$9,181,557	\$1,315,449	\$10,497,006
Less other funds	2,499,073	305,139	2,804,212
Total general fund	\$6,682,484	\$1,010,310	\$7,692,794
Full-time equivalent positions	26.75	0.00	26.75

Subdivision 4.

SCHOOL FOR THE DEAF

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,283,599	\$735,225	\$10,018,824

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1	New and vacant FTE pool	0	415,571	415,571
2	Operating expenses	1,705,586	320,839	2,026,425
3	Capital assets	<u>158,678</u>	<u>283,800</u>	<u>442,478</u>
4	Total all funds	\$11,147,863	\$1,755,435	\$12,903,298
5	Less other funds	<u>2,811,557</u>	<u>360,186</u>	<u>3,171,743</u>
6	Total general fund	\$8,336,306	\$1,395,249	\$9,731,555
7	Full-time equivalent positions	45.36	1.50	46.86

8 Subdivision 5.

9 NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

10		Adjustments or		
11		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12	Salaries and wages	\$5,538,818	\$241,078	\$5,779,896
13	New and vacant FTE pool	0	121,985	121,985
14	Operating expenses	869,686	406,571	1,276,257
15	Capital assets	39,192	230,808	270,000
16	Total all funds	\$6,447,696	\$1,000,442	\$7,448,138
17	Less other funds	1,206,705	534,239	1,740,944
18	Total general fund	\$5,240,991	\$466,203	\$5,707,194
19	Full-time equivalent positions	27.75	0.00	27.75
20	Salaries and wages	\$5,538,818	\$241,078	\$5,779,896
21	New and vacant FTE pool	0	259,436	259,436
22	Operating expenses	869,686	406,571	1,276,257
23	Capital assets	39,192	230,808	270,000
24	Total all funds	\$6,447,696	\$1,137,893	\$7,585,589
25	Less other funds	1,206,705	534,239	1,740,944
26	Total general fund	\$5,240,991	\$603,654	\$5,844,645
27	Full-time equivalent positions	27.75	1.00	28.75

28 Subdivision 6.

29 TOTAL - SECTION 1

30		Adjustments or		
31		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>

1	Grand total all funds	\$2,882,387,718	\$189,972,391	\$3,072,360,109
2	Less grand total other funds	1,126,314,009	180,009,232	1,306,323,241
3	Grand total general fund	\$1,756,073,709	\$9,963,159	\$1,766,036,868
4	<u>Grand total all funds</u>	<u>\$2,882,387,718</u>	<u>\$197,043,080</u>	<u>\$3,079,430,798</u>
5	<u>Less grand total other funds</u>	<u>1,126,314,009</u>	<u>89,344,232</u>	<u>1,215,658,241</u>
6	<u>Grand total general fund</u>	<u>\$1,756,073,709</u>	<u>\$107,698,848</u>	<u>\$1,863,772,557</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in each entity's base budget for the 2027-29 biennium and which each entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Department of Pubic Instruction			
—Science center grants	\$0	\$10,000,000	\$10,000,000
—Teacher retention program	0	2,500,000	2,500,000
—School board training	0	1,500,000	1,500,000
—Native American essential	0	950,000	950,000
—understandings and book series			
—Statewide reading tool	500,000	0	500,000
—Dyslexia training		300,000	300,000
—Assistive technology and	250,000	0	250,000
—curriculum pilot			
—Total department of public instruction	\$750,000	\$15,250,000	\$16,000,000
<u>Department of Pubic Instruction</u>			
<u>Teacher retention program</u>	<u>\$0</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>
<u>School board training</u>	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>
<u>Native American essential</u>	<u>0</u>	<u>950,000</u>	<u>950,000</u>
<u>understandings and book series</u>			
<u>Statewide reading tool</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>
<u>Dyslexia training</u>	<u>0</u>	<u>300,000</u>	<u>300,000</u>
<u>Total department of public instruction</u>	<u>\$0</u>	<u>\$5,750,000</u>	<u>\$5,750,000</u>

1 Center for Distance Education

2	Information technology equipment	\$0	\$25,000	\$25,000
3	Student information system upgrade	<u>75,250</u>	<u>0</u>	<u>75,250</u>
4	Total center for distance education	\$75,250	\$25,000	\$100,250

5 School for the Deaf

6	Equipment replacement	\$0	\$45,000	\$45,000
7	Campus security upgrades	<u>0</u>	<u>238,800</u>	<u>238,800</u>
8	Total school for the deaf	\$0	\$283,800	\$283,800

9 North Dakota vision services - School for the Blind

10	Equipment less than \$5,000	\$0	\$28,000	\$28,000
11	Door replacement	0	10,000	10,000
12	Breakroom remodel	0	55,000	55,000
13	Kitchen cabinet replacement	0	55,000	55,000
14	<u>Tractor replacement</u>	<u>0</u>	<u>55,000</u>	<u>55,000</u>
15	South parking lot replacement	<u>0</u>	<u>150,000</u>	<u>150,000</u>
16	Total school for the blind	<u>\$0</u>	<u>\$298,000</u>	<u>\$298,000</u>
17	Grand total	\$825,250	\$15,856,800	\$16,682,050
18	<u>Grand total</u>	<u>\$75,250</u>	<u>\$6,356,800</u>	<u>\$6,432,050</u>

19 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The

20 department of public instruction, center for distance education, state library, school for the deaf,
 21 and North Dakota vision services - school for the blind may not spend funds appropriated in the
 22 new and vacant FTE pool line item in section 1 of this Act, but may request the office of
 23 management and budget to transfer funds from the new and vacant FTE pool line item to the
 24 salaries and wages line item or the center for distance education line item within each
 25 respective subdivision in accordance with the guidelines and reporting provisions included in
 26 House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

27 **SECTION 4. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$595,677,350,

28 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is
 29 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund
 30 that becomes available for distribution to public schools is appropriated to the department of

public instruction for that purpose for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. OTHER FUNDS - FOUNDATION AID STABILIZATION FUND. The other funds line item in subdivision 1 of section 1 of this Act includes the sum of ~~\$219,250,000~~ \$133,000,000 from the foundation aid stabilization fund for integrated formula payments, ~~various program grants, and a Native American program and textbook.~~

SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in subdivision 1 of section 1 of this Act includes the sum of ~~\$10,000,000~~ \$5,750,000 from the strategic investment and improvements fund for ~~science-center grants~~ one-time program grants, relating to dyslexia training, a statewide reading tool, a teacher retention program, school board training, and a Native American essential understandings program and book series.

SECTION 7. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the integrated formula payments and grants - special education contracts line items in subdivision 1 of section 1 of this Act for paying grants for 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 of public instruction by June 30, 2026.

SECTION 8. GIFTED AND TALENTED PROGRAM. The sum of \$800,000, included in the integrated formula payments 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.

SECTION 9. MEDICAID MATCHING FUNDING - WITHHOLDING AND DISTRIBUTION. 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, for the biennium beginning July 1, 2025, and ending June 30, 2027.

1 Special education funds equal to the amount of the matching funds required to be paid by the
2 school district or special education unit must be paid by the superintendent of public instruction
3 to the department of health and human services on behalf of the school district or unit.

4 **SECTION 10. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.**

5 The integrated formula payments line item in subdivision 1 of section 1 of this Act includes
6 ~~\$700,000~~\$600,000 from the general fund for the purpose of providing annual grants to regional
7 education associations, for the biennium beginning July 1, 2025, and ending June 30, 2027. An
8 annual grant of \$50,000 is provided to each regional education association that exists as of
9 July 1, 2025. Regional education associations that merge during the 2025-27 biennium are
10 entitled to the annual grants that would have been paid to each of the member associations.

11 **SECTION 11. STUDENT MEALS - GRANTS - DISTRIBUTION.** The grants - program
12 grants line item in subdivision 1 of section 1 of this Act includes ~~\$4,500,000~~\$7,300,000 from the
13 general fund for the purpose of providing grants to school districts to defray the expenses of
14 providing meals, free of charge, for all students enrolled in public or nonpublic school at or
15 below two hundred twenty-five percent of the federal poverty guideline, for the biennium
16 beginning July 1, 2025, and ending June 30, 2027. The superintendent of public instruction shall
17 develop guidelines and reporting requirements for the grants.

18 **SECTION 12. PARAPROFESSIONAL-TO-TEACHER PROGRAM - GRANTS -**
19 **DISTRIBUTION.** The grants - program grants line item in subdivision 1 of section 1 of this Act
20 includes \$3,000,000 from the general fund for the purpose of providing grants to accredited
21 institutions of higher education to assist paraprofessionals to become qualified teachers, for the
22 biennium beginning July 1, 2025, and ending June 30, 2027. The superintendent of public
23 instruction may award up to \$20,000 to each qualifying institution for program startup and other
24 administrative costs and the remainder of the appropriation may be used only for tuition and
25 scholarships for students enrolled in the program. The superintendent of public instruction may
26 establish policies and procedures to administer this program.

27 **SECTION 13. NORTH DAKOTA GOVERNOR'S SCHOOLS - GRANTS - DISTRIBUTION.**

28 The grants - passthrough grants line item in subdivision 1 of section 1 of this Act includes
29 \$500,000 from the general fund for the purpose of providing grants for North Dakota governor's
30 schools at North Dakota state university and university of North Dakota, for the biennium
31 beginning July 1, 2025, and ending June 30, 2027.

- 1 1. The superintendent of public instruction shall conduct North Dakota governor's
- 2 schools once a summer alternating annually between North Dakota state university
- 3 and university of North Dakota.
- 4 2. The superintendent of public instruction shall award the grants based on providing an
- 5 average cost of \$5,000 per student attending the schools each year not to exceed a
- 6 total of \$250,000 to each university for each year of the biennium.
- 7 3. The governor's schools program must provide programs related to science,
- 8 technology, engineering, mathematics, energy law, mental health, education, and
- 9 health sciences.
- 10 4. The superintendent of public instruction shall name codirectors at each university to
- 11 ensure continued collaboration of the schools at both campuses.
- 12 5. Funds may be used only for defraying expenses for students while on campus,
- 13 including housing, dining, resident assistants, program directors, instructors, and
- 14 faculty research sponsors.

15 **SECTION 14. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL**
16 **EDUCATIONAL DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS.**

17 Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect
18 cost recoveries in its operating account. In addition, any moneys collected by the department of
19 public instruction for general educational development fees and displaced homemakers
20 deposits must be deposited in the public instruction fund in the state treasury. Any funds
21 deposited in the public instruction fund may only be spent subject to appropriation by the
22 legislative assembly.

23 **SECTION 15. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER -**
24 **GENERAL FUND.** Notwithstanding section 54-44.1-11, if, after the superintendent of public
25 instruction complies with all statutory payment obligations imposed for the 2023-25 biennium,
26 from any moneys remaining in the integrated formula payments line item in subdivision 1 of
27 section 1 of chapter 45 of the 2023 Session Laws, the lesser of ~~\$11,165,000~~\$11,000,000 or the
28 remaining amount must be continued into the 2025-27 biennium and the office of management
29 and budget shall transfer this amount into the public instruction fund for the purpose of providing
30 ~~program and passthrough grants~~integrated formula payments as appropriated in subdivision 1

of section 1 of this Act. The superintendent of public instruction shall transfer any of these funds remaining unspent at the end of the 2025-27 biennium to the general fund.

SECTION 16. EXEMPTION - UNEXPENDED APPROPRIATIONS - DEPARTMENT OF PUBLIC INSTRUCTION. The following appropriations to the department of public instruction are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. Any funds remaining from federal funds derived from the elementary and secondary school emergency education relief fund and any other federal funds appropriated in subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
2. Any funds remaining from special funds from the public instruction fund in the state treasury, derived from reimbursements withheld from school districts' integrated formula payments for the purpose of information technology project upgrades to the state automated reporting system and the statewide longitudinal data system, appropriated in section 17 of chapter 549 of the 2021 Special Session Session Laws.

SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATION - STATE LIBRARY. The sum of \$150,000, appropriated from the general fund to the state library for building renovations in subdivision 3 of section 1 of chapter 45 of the 2023 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for building renovations during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 18. EXEMPTION - UNEXPENDED APPROPRIATIONS - SCHOOL FOR THE DEAF. The sum of \$800,000, appropriated from special funds, derived from trust fund distributions, rents, and service revenue, to the school for the deaf for boiler replacement, pneumatic controls, and a fire alarm system in subdivision 4 of section 1 of chapter 45 of the 2023 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for boiler replacement, pneumatic controls, and a fire alarm system during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 19. STATE AID TO PUBLIC LIBRARIES. The grants line item in subdivision 3 of section 1 of this Act includes \$1,737,582 for aid to public libraries, of which no more than one-half may be expended during the fiscal year ending June 30, 2026.

SECTION 20. AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code is amended and reenacted as follows:

1 **15.1-02-02. Salary.**

2 The annual salary of the superintendent of public instruction is ~~one hundred thirty-eight~~
3 ~~thousand one hundred forty-two~~one hundred forty-seven thousand nine hundred seventy-eight
4 dollars through June 30, ~~2024~~2026, and ~~one hundred forty-three thousand six hundred~~
5 ~~sixty-eight~~one hundred fifty-two thousand four hundred seventeen dollars thereafter.