

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**

|                            | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|----------------------------|-------------------|--|----------------------|
| 16 Salaries and wages      | \$19,964,765      | \$1,121,603                            | \$21,086,368         |
| 17 New and vacant FTE pool | 0                 | 695,495                                | 695,495              |
| 18 Operating expenses      | 32,793,320        | 9,718,204                              | 42,511,524           |

Sixty-ninth  
Legislative Assembly

|    |                                |                      |                    |                      |
|----|--------------------------------|----------------------|--------------------|----------------------|
| 1  | Integrated formula payments    | 2,299,674,851        | 116,655,489        | 2,416,330,340        |
| 2  | Grants - special education     | 24,000,000           | 0                  | 24,000,000           |
| 3  | Grants - transportation        | 58,100,000           | 5,400,000          | 63,500,000           |
| 4  | Grants - other grants          | 382,738,893          | 29,705,709         | 412,444,602          |
| 5  | Grants - program grants        | 17,205,000           | 7,011,027          | 24,216,027           |
| 6  | Grants - passthrough grants    | 3,569,000            | 12,266,000         | 15,835,000           |
| 7  | PowerSchool                    | 5,775,000            | (5,775,000)        | 0                    |
| 8  | Student information systems    | 0                    | 5,775,000          | 5,775,000            |
| 9  | National board certification   | <u>176,290</u>       | <u>0</u>           | <u>176,290</u>       |
| 10 | Total all funds                | \$2,843,997,119      | \$182,573,527      | \$3,026,570,646      |
| 11 | Less other funds               | <u>1,115,246,674</u> | <u>176,835,668</u> | <u>1,292,082,342</u> |
| 12 | Total general fund             | \$1,728,750,445      | \$5,737,859        | \$1,734,488,304      |
| 13 | Full-time equivalent positions | 86.25                | 0.00               | 86.25                |

14 Subdivision 2.

15 CENTER FOR DISTANCE EDUCATION

|    |                                |                   |                     |                      |
|----|--------------------------------|-------------------|---------------------|----------------------|
| 16 |                                |                   | Adjustments or      |                      |
| 17 |                                | <u>Base Level</u> | <u>Enhancements</u> | <u>Appropriation</u> |
| 18 | Center for distance education  | \$11,613,483      | \$2,966,477         | \$14,579,960         |
| 19 | New and vacant FTE pool        | <u>0</u>          | <u>361,061</u>      | <u>361,061</u>       |
| 20 | Total all funds                | \$11,613,483      | \$3,327,538         | \$14,941,021         |
| 21 | Less other funds               | <u>4,550,000</u>  | <u>1,974,000</u>    | <u>6,524,000</u>     |
| 22 | Total general fund             | \$7,063,483       | \$1,353,538         | \$8,417,021          |
| 23 | Full-time equivalent positions | 30.80             | 1.20                | 32.00                |

24 Subdivision 3.

25 STATE LIBRARY

|    |                         |                   |                     |                      |
|----|-------------------------|-------------------|---------------------|----------------------|
| 26 |                         |                   | Adjustments or      |                      |
| 27 |                         | <u>Base Level</u> | <u>Enhancements</u> | <u>Appropriation</u> |
| 28 | Salaries and wages      | \$4,615,731       | \$500,120           | \$5,115,851          |
| 29 | New and vacant FTE pool | 0                 | 107,552             | 107,552              |
| 30 | Operating expenses      | 2,282,298         | 707,777             | 2,990,075            |
| 31 | Grants                  | <u>2,283,528</u>  | <u>0</u>            | <u>2,283,528</u>     |

Sixty-ninth  
Legislative Assembly

|    |   |                   |                     |                      |
|----|---|-------------------|---------------------|----------------------|
| 1  | Total all funds                                     | \$9,181,557       | \$1,315,449         | \$10,497,006         |
| 2  | Less other funds                                    | <u>2,499,073</u>  | <u>305,139</u>      | <u>2,804,212</u>     |
| 3  | Total general fund                                  | \$6,682,484       | \$1,010,310         | \$7,692,794          |
| 4  | Full-time equivalent positions                      | 26.75             | 0.00                | 26.75                |
| 5  | Subdivision 4.                                      |                   |                     |                      |
| 6  | SCHOOL FOR THE DEAF                                 |                   |                     |                      |
| 7  |   |                   | Adjustments or      |                      |
| 8  |   | <u>Base Level</u> | <u>Enhancements</u> | <u>Appropriation</u> |
| 9  | Salaries and wages                                  | \$9,283,599       | \$735,225           | \$10,018,824         |
| 10 | New and vacant FTE pool                             | 0                 | 415,571             | 415,571              |
| 11 | Operating expenses                                  | 1,705,586         | 320,839             | 2,026,425            |
| 12 | Capital assets                                      | <u>158,678</u>    | <u>283,800</u>      | <u>442,478</u>       |
| 13 | Total all funds                                     | \$11,147,863      | \$1,755,435         | \$12,903,298         |
| 14 | Less other funds                                    | <u>2,811,557</u>  | <u>360,186</u>      | <u>3,171,743</u>     |
| 15 | Total general fund                                  | \$8,336,306       | \$1,395,249         | \$9,731,555          |
| 16 | Full-time equivalent positions                      | 45.36             | 1.50                | 46.86                |
| 17 | Subdivision 5.                                      |                   |                     |                      |
| 18 | NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND |                   |                     |                      |
| 19 |   |                   | Adjustments or      |                      |
| 20 |   | <u>Base Level</u> | <u>Enhancements</u> | <u>Appropriation</u> |
| 21 | Salaries and wages                                  | \$5,538,818       | \$241,078           | \$5,779,896          |
| 22 | New and vacant FTE pool                             | 0                 | 121,985             | 121,985              |
| 23 | Operating expenses                                  | 869,686           | 406,571             | 1,276,257            |
| 24 | Capital assets                                      | <u>39,192</u>     | <u>230,808</u>      | <u>270,000</u>       |
| 25 | Total all funds                                     | \$6,447,696       | \$1,000,442         | \$7,448,138          |
| 26 | Less other funds                                    | <u>1,206,705</u>  | <u>534,239</u>      | <u>1,740,944</u>     |
| 27 | Total general fund                                  | \$5,240,991       | \$466,203           | \$5,707,194          |
| 28 | Full-time equivalent positions                      | 27.75             | 0.00                | 27.75                |
| 29 | Subdivision 6.                                      |                   |                     |                      |
| 30 | TOTAL - SECTION 1                                   |                   |                     |                      |

|   |                              |                      |                     |                      |
|---|------------------------------|----------------------|---------------------|----------------------|
| 1 |                              |                      | Adjustments or      |                      |
| 2 |                              | <u>Base Level</u>    | <u>Enhancements</u> | <u>Appropriation</u> |
| 3 | Grand total all funds        | \$2,882,387,718      | \$189,972,391       | \$3,072,360,109      |
| 4 | Less grand total other funds | <u>1,126,314,009</u> | <u>180,009,232</u>  | <u>1,306,323,241</u> |
| 5 | Grand total general fund     | \$1,756,073,709      | \$9,963,159         | \$1,766,036,868      |

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

|    |   |                     |                    |                    |
|----|---|---------------------|--------------------|--------------------|
| 11 | <u>One-Time Funding Description</u>                 | <u>General Fund</u> | <u>Other Funds</u> | <u>Total Funds</u> |
| 12 | Department of Pubic Instruction                     |                     |                    |                    |
| 13 | Science center grants                               | \$0                 | \$10,000,000       | \$10,000,000       |
| 14 | Teacher retention program                           | 0                   | 2,500,000          | 2,500,000          |
| 15 | School board training                               | 0                   | 1,500,000          | 1,500,000          |
| 16 | Native American essential                           | 0                   | 950,000            | 950,000            |
| 17 | understandings and book series                      |                     |                    |                    |
| 18 | Statewide reading tool                              | 500,000             | 0                  | 500,000            |
| 19 | Dyslexia training                                   |                     | 300,000            | 300,000            |
| 20 | Assistive technology and                            | <u>250,000</u>      | <u>0</u>           | <u>250,000</u>     |
| 21 | curriculum pilot                                    |                     |                    |                    |
| 22 | Total department of public instruction              | \$750,000           | \$15,250,000       | \$16,000,000       |
| 23 | Center for Distance Education                       |                     |                    |                    |
| 24 | Information technology equipment                    | \$0                 | \$25,000           | \$25,000           |
| 25 | Student information system upgrade                  | <u>75,250</u>       | <u>0</u>           | <u>75,250</u>      |
| 26 | Total center for distance education                 | \$75,250            | \$25,000           | \$100,250          |
| 27 | School for the Deaf                                 |                     |                    |                    |
| 28 | Equipment replacement                               | \$0                 | \$45,000           | \$45,000           |
| 29 | Campus security upgrades                            | <u>0</u>            | <u>238,800</u>     | <u>238,800</u>     |
| 30 | Total school for the deaf                           | \$0                 | \$283,800          | \$283,800          |
| 31 | North Dakota vision services - School for the Blind |                     |                    |                    |

Sixty-ninth  
Legislative Assembly

|   |                               |            |                  |                  |
|---|-------------------------------|------------|------------------|------------------|
| 1 | Equipment less than \$5,000   | \$0        | \$28,000         | \$28,000         |
| 2 | Door replacement              | 0          | 10,000           | 10,000           |
| 3 | Breakroom remodel             | 0          | 55,000           | 55,000           |
| 4 | Kitchen cabinet replacement   | 0          | 55,000           | 55,000           |
| 5 | South parking lot replacement | <u>0</u>   | <u>150,000</u>   | <u>150,000</u>   |
| 6 | Total school for the blind    | <u>\$0</u> | <u>\$298,000</u> | <u>\$298,000</u> |
| 7 | Grand total                   | \$825,250  | \$15,856,800     | \$16,682,050     |

8       **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
9 department of public instruction, center for distance education, state library, school for the deaf,  
10 and North Dakota vision services - school for the blind may not spend funds appropriated in the  
11 new and vacant FTE pool line item in section 1 of this Act, but may request the office of  
12 management and budget to transfer funds from the new and vacant FTE pool line item to the  
13 salaries and wages line item or the center for distance education line item within each  
14 respective subdivision in accordance with the guidelines and reporting provisions included in  
15 House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

16       **SECTION 4. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION -**  
17 **ELECTRONIC DEVICE STORAGE GRANTS - ONE-TIME FUNDING.** There is appropriated  
18 out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum  
19 of \$1,500,000, or so much of the sum as may be necessary, to the department of public  
20 instruction for the purpose of providing electronic device storage grants to school districts for  
21 the biennium beginning July 1, 2025, and ending June 30, 2027. Upon request of the board of a  
22 school district, the department shall reimburse the school district for the cost of acquiring secure  
23 containers for storing each student's personal electronic device in accordance with the school  
24 district's established plan. Reimbursements to school districts must be provided based on the  
25 cost of a selected approved product, but may not exceed thirty dollars per student subject to the  
26 school district's plan. The appropriation provided in this section is considered a one-time  
27 funding item.

28       **SECTION 5. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$595,677,350,  
29 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is  
30 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund  
31 that becomes available for distribution to public schools is appropriated to the department of

1 public instruction for that purpose for the biennium beginning July 1, 2025, and ending June 30,  
2 2027.

3 **SECTION 6. OTHER FUNDS - FOUNDATION AID STABILIZATION FUND.** The other  
4 funds line item in subdivision 1 of section 1 of this Act includes the sum of \$219,250,000 from  
5 the foundation aid stabilization fund for integrated formula payments, various program grants,  
6 and a Native American program and textbook.

7 **SECTION 7. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**  
8 The other funds line item in subdivision 1 of section 1 of this Act includes the sum of  
9 \$10,000,000 from the strategic investment and improvements fund for science center grants.

10 **SECTION 8. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**  
11 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may  
12 expend funds included in the integrated formula payments and grants - special education  
13 contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational  
14 services that were due in the 2023-25 biennium but which were not filed, claimed, or properly  
15 supported by the education provider until after June 30, 2025. To be reimbursed under this  
16 section, claims must be properly supported and filed with the superintendent of public  
17 instruction by June 30, 2026.

18 **SECTION 9. GIFTED AND TALENTED PROGRAM.** The sum of \$800,000, included in the  
19 integrated formula payments line item in subdivision 1 of section 1 of this Act, must be  
20 distributed to reimburse school districts or special education units for gifted and talented  
21 programs upon the submission of an application that is approved in accordance with guidelines  
22 adopted by the superintendent of public instruction. The superintendent of public instruction  
23 shall encourage cooperative efforts for gifted and talented programs among school districts and  
24 special education units.

25 **SECTION 10. MEDICAID MATCHING FUNDING - WITHHOLDING AND DISTRIBUTION.**  
26 State school aid payments for special education must be reduced by the amount of matching  
27 funds required to be paid by school districts or special education units for students participating  
28 in the Medicaid program for the biennium beginning July 1, 2025, and ending June 30, 2027.  
29 Special education funds equal to the amount of the matching funds required to be paid by the  
30 school district or special education unit must be paid by the superintendent of public instruction  
31 to the department of health and human services on behalf of the school district or unit.



1       **SECTION 11. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.**

2       The integrated formula payments line item in subdivision 1 of section 1 of this Act includes  
3       \$700,000 from the general fund for the purpose of providing annual grants to regional education  
4       associations, for the biennium beginning July 1, 2025, and ending June 30, 2027. An annual  
5       grant of \$50,000 is provided to each regional education association that exists as of July 1,  
6       2025. Regional education associations that merge during the 2025-27 biennium are entitled to  
7       the annual grants that would have been paid to each of the member associations.

8       **SECTION 12. STUDENT MEALS - GRANTS - DISTRIBUTION.** The grants - program

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

15       **SECTION 13. PARAPROFESSIONAL-TO-TEACHER PROGRAM - GRANTS -**

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

24       **SECTION 14. NORTH DAKOTA GOVERNOR'S SCHOOLS - GRANTS - DISTRIBUTION.**

25       The grants - passthrough grants line item in subdivision 1 of section 1 of this Act includes  
26       \$500,000 from the general fund for the purpose of providing grants for North Dakota governor's  
27       schools at North Dakota state university and university of North Dakota, for the biennium  
28       beginning July 1, 2025, and ending June 30, 2027.

- 29       1.   The superintendent of public instruction shall conduct North Dakota governor's  
30           schools once a summer alternating annually between North Dakota state university  
31           and university of North Dakota.

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

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

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

20       **SECTION 16. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER -**  
21       **GENERAL FUND.** Notwithstanding section 54-44.1-11, if, after the superintendent of public  
22       instruction complies with all statutory payment obligations imposed for the 2023-25 biennium,  
23       from any moneys remaining in the integrated formula payments line item in subdivision 1 of  
24       section 1 of chapter 45 of the 2023 Session Laws, the lesser of \$11,165,000 or the remaining  
25       amount must be continued into the 2025-27 biennium and the office of management and budget  
26       shall transfer this amount into the public instruction fund for the purpose of providing program  
27       and passthrough grants as appropriated in subdivision 1 of section 1 of this Act. The  
28       superintendent of public instruction shall transfer any of these funds remaining unspent at the  
29       end of the 2025-27 biennium to the general fund.

30       **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS - DEPARTMENT OF**  
31       **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 18. 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 19. 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 20. 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 21. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is amended and reenacted as follows:

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

The annual salary of the superintendent of public instruction is ~~one hundred thirty-eight thousand one hundred forty-two~~ one hundred forty-seven thousand nine hundred seventy-eight

Sixty-ninth  
Legislative Assembly

- 1 dollars through June 30, ~~2024~~2026, and one hundred forty-three thousand six hundred
- 2 ~~sixty-eight~~one hundred fifty-two thousand four hundred seventeen dollars thereafter.