

**FIRST ENGROSSMENT
with Senate Amendments**

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1013

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 public instruction, the school for the deaf, North Dakota vision services - school for the blind,
3 and the state library; to provide an appropriation; to provide for the distribution of funding for
4 gifted and talented programs and other grants; to provide a contingent appropriation; to provide
5 for the development and implementation of a future services plan for the school for the deaf; to
6 amend and reenact section 15.1-02-02 and subsection 6 of section 15.1-29-14 of the North
7 Dakota Century Code, relating to the salary of the superintendent of public instruction and
8 special education cost reimbursements; and to declare an emergency.

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

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
11 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
12 treasury, not otherwise appropriated, and from special funds derived from federal funds and
13 other income, to the department of public instruction, the school for the deaf, North Dakota
14 vision services - school for the blind, and the state library for the purpose of defraying the
15 expenses of those agencies, for the biennium beginning July 1, 2009, and ending June 30,
16 2011, as follows:

17 Subdivision 1.

18 DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20 Salaries and wages	\$11,415,534	\$2,283,467	\$13,699,001
22 Operating expenses	19,738,294	11,313,692	31,051,986
23 Grants - State school aid	726,165,879	99,000,000	825,165,879
24 Grants - Special education contracts	17,500,000	(2,000,000)	15,500,000

Sixty-first
Legislative Assembly

1	Grants - Transportation	33,500,000	10,000,000	43,500,000
2	Grants - Other grants	227,701,806	15,287,915	242,989,721
3	Transportation efficiency	30,000	0	30,000
4	National board certification	<u>40,000</u>	<u>62,500</u>	<u>102,500</u>
5	Total all funds	\$1,036,091,513	\$135,947,574	\$1,172,039,087
6	Less estimated income	<u>325,668,238</u>	<u>34,786,136</u>	<u>360,454,374</u>
7	Total general fund	\$710,423,275	\$101,161,438	\$811,584,713
8	Full-time equivalent positions	94.75	5.00	99.75

9 Subdivision 2.

10 STATE LIBRARY

11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Salaries and wages	\$2,628,494	\$656,518	\$3,285,012
14	Operating expenses	1,477,772	4,801	1,482,573
15	Grants	<u>1,752,500</u>	<u>100,000</u>	<u>1,852,500</u>
16	Total all funds	\$5,858,766	\$761,319	\$6,620,085
17	Less estimated income	<u>1,881,253</u>	<u>58,442</u>	<u>1,939,695</u>
18	Total general fund	\$3,977,513	\$702,877	\$4,680,390
19	Full-time equivalent positions	29.75	0.00	29.75

20 Subdivision 3.

21 SCHOOL FOR THE DEAF

22			Adjustments or	
23		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24	Salaries and wages	\$4,765,173	\$738,561	\$5,503,734
25	Operating expenses	1,514,283	124,320	1,638,603
26	Capital assets	50,000	179,140	229,140
27	Deferred maintenance	<u>0</u>	<u>98,605</u>	<u>98,605</u>
28	Total all funds	\$6,329,456	\$1,140,626	\$7,470,082
29	Less estimated income	<u>1,039,018</u>	<u>295,443</u>	<u>1,334,461</u>
30	Total general fund	\$5,290,438	\$845,183	\$6,135,621
31	Full-time equivalent positions	43.94	0.00	43.94

Sixty-first
Legislative Assembly

1	Subdivision 4.			
2		VISION SERVICES - SCHOOL FOR THE BLIND		
3			Adjustments or	
4		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5	Salaries and wages	\$2,978,895	\$585,796	\$3,564,691
6	Operating expenses	640,798	39,854	680,652
7	Capital assets	142,100	(115,100)	27,000
8	Deferred maintenance	<u>0</u>	<u>64,500</u>	<u>64,500</u>
9	Total all funds	\$3,761,793	\$575,050	\$4,336,843
10	Less estimated income	<u>843,857</u>	<u>(23,275)</u>	<u>820,582</u>
11	Total general fund	\$2,917,936	\$598,325	\$3,516,261
12	Full-time equivalent positions	28.00	1.50	29.50

13 Subdivision 5.

14		BILL TOTAL		
15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Grand total general fund	\$722,609,162	\$103,307,823	\$825,916,985
18	Grand total special funds	\$329,432,366	\$188,486,482	\$517,918,848
19	Grand total all funds	\$1,052,041,528	\$291,794,305	\$1,343,835,833

20 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
 21 **SIXTY-SECOND LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time
 22 funding items approved by the sixtieth legislative assembly for the 2007-09 biennium and the
 23 2009-11 one-time funding items included in the appropriation in section 1 of this Act:

24	<u>One-Time Funding Description</u>	<u>2007-09</u>	<u>2009-11</u>
25	Department of public instruction		
26	STARS school data collection system rewrite	\$0	\$500,000
27	Geographic alliance endowment	<u>0</u>	<u>226,000</u>
28	Total department of public instruction - General fund	\$0	\$726,000
29	School for the deaf		
30	Deferred maintenance	\$100,000	\$0
31	Facility master plan	0	41,000

Sixty-first
Legislative Assembly

1	Virtual services business plan	0	<u>25,000</u>
2	Total school for the deaf - General fund	\$100,000	\$66,000
3	School for the blind - Vision services		
4	Equipment	\$0	\$39,200
5	Window replacement	0	<u>31,000</u>
6	Total school for the blind - Vision services - General fund	\$0	\$70,200
7	Grand total - General fund	\$100,000	\$862,200

8 The 2009-11 one-time funding amounts are not a part of the entity's base budget for the
9 2011-13 biennium. The department of public instruction, school for the deaf, and school for the
10 blind - vision services shall report to the appropriations committees of the sixty-second
11 legislative assembly on the use of this one-time funding for the biennium beginning July 1,
12 2009, and ending June 30, 2011.

13 **SECTION 3. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS -**

14 **ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the
15 funds as may be necessary, are appropriated from federal funds made available to the state
16 under the federal American Recovery and Reinvestment Act of 2009, not otherwise
17 appropriated, to the superintendent of public instruction, for the period beginning with the
18 effective date of this Act and ending June 30, 2011, as follows:

19	Fiscal stabilization - Education funds	\$85,644,337
20	Title I - Part A	27,415,262
21	Title I - School improvement	7,145,000
22	Title II - Part D - Technology	3,209,375
23	Individuals With Disabilities Education Act	27,413,988
24	McKinney-Vento Homeless Assistance Act	150,000
25	National school lunch program	230,000
26	The emergency food assistance program	85,426
27	Clean diesel (passthrough from the state	1,730,000
28	department of health)	_____
29	Total federal funds	\$153,023,388

30 The superintendent of public instruction may seek emergency commission and budget
31 section approval under chapter 54-16 for authority to spend any additional federal funds

1 received under the federal American Recovery and Reinvestment Act of 2009 in excess of the
2 amounts appropriated in this section, for the period beginning with the effective date of this Act
3 and ending June 30, 2011.

4 Any federal funds appropriated under this section are not a part of the agency's 2011-13
5 base budget. Any program expenditures made with these funds will not be replaced with state
6 funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer
7 available.

8 **SECTION 4. APPROPRIATION - FEDERAL FISCAL STABILIZATION - OTHER**

9 **GOVERNMENT SERVICES - ADDITIONAL FUNDING APPROVAL.** The funds provided in
10 this section, or so much of the funds as may be necessary, are appropriated from federal fiscal
11 stabilization - other government services funds made available to the governor under the
12 federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the
13 superintendent of public instruction, for the period beginning with the effective date of this Act
14 and ending June 30, 2011, as follows:

15 Department of public instruction administrative	\$326,348
16 costs relating to federal fiscal stimulus payment	
17 to schools, including salaries (\$152,533) and	
18 operating expenses (\$173,815)	
19 Early childhood learning council operating expenses	<u>20,000</u>
20 Total federal funds from governor's office	\$346,348

21 Any federal funds appropriated under this section are not a part of the agency's 2011-13 base
22 budget. Any program expenditures made with these funds will not be replaced with state funds
23 after the federal American Recovery and Reinvestment Act of 2009 funds are no longer
24 available.

25 **SECTION 5. LINE ITEM TRANSFERS - SCHOOL FOR THE DEAF.** Notwithstanding

26 section 54-16-04, the director of the office of management and budget and the state treasurer
27 shall transfer funds from the salaries and wages line item to the operating expenses line item
28 contained in subdivision 3 of section 1 of this Act of up to \$100,000 as requested by the
29 superintendent of public instruction to provide funding for a future services plan and
30 implementation for the school for the deaf, for the biennium beginning July 1, 2009, and ending
31 June 30, 2011.

1 **SECTION 6. DEFERRED MAINTENANCE - TRANSFERS - SCHOOL FOR THE**
2 **DEAF.** The school for the deaf is authorized to transfer from the deferred maintenance line to
3 the capital assets line, contained in subdivision 3 of section 1 of this Act, amounts necessary to
4 address extraordinary repair needs. Any amounts transferred must be reported to the director
5 of the office of management and budget.

6 **SECTION 7. DEFERRED MAINTENANCE - TRANSFERS - SCHOOL FOR THE**
7 **BLIND - VISION SERVICES.** The school for the blind - vision services is authorized to transfer
8 from the deferred maintenance line to the capital assets line, contained in subdivision 4 of
9 section 1 of this Act, amounts necessary to address extraordinary repair needs. Any amounts
10 transferred must be reported to the director of the office of management and budget.

11 **SECTION 8. APPROPRIATION.** There is appropriated from special funds derived
12 from federal funds and other income the sum of \$20,000,000, or so much of the sum as may be
13 necessary, to the superintendent of public instruction for grants for the period beginning with
14 the effective date of this Act and ending June 30, 2009.

15 **SECTION 9. APPROPRIATION - TUITION APPORTIONMENT.** The sum of
16 \$86,300,000, included in the grants - state school aid line item in subdivision 1 of section 3 of
17 this Act, is from the state tuition fund in the state treasury. Any additional amount in the state
18 tuition fund that becomes available for distribution to public schools is appropriated to the
19 department of public instruction for that purpose for the biennium beginning July 1, 2009, and
20 ending June 30, 2011.

21 **SECTION 10. STATE SCHOOL AID AND SPECIAL EDUCATION CONTRACTS**
22 **EXPENDITURE AUTHORITY.** The superintendent of public instruction may expend funds
23 included in the grants - state school aid and grants - special education contracts line items in
24 subdivision 1 of section 1 of this Act in payment of grants for educational services that were
25 due in the 2007-09 biennium but which were not filed, claimed, or properly supported by the
26 education provider until after June 30, 2009.

27 **SECTION 11. GIFTED AND TALENTED PROGRAM - FUNDING - DISTRIBUTION.**
28 The sum of \$800,000, included in the grants - state school aid line item in subdivision 1 of
29 section 1 of this Act, must be distributed to reimburse school districts or special education units
30 for gifted and talented programs upon the submission of an application that is approved in
31 accordance with guidelines adopted by the superintendent of public instruction. The

1 superintendent of public instruction shall encourage cooperative efforts for gifted and talented
2 programs among school districts and special education units. State school aid payments for
3 special education must be reduced by the amount of matching funds required to be paid by
4 school districts or special education units for students participating in the medicaid program.
5 Special education funds equal to the amount of the matching funds required to be paid by the
6 school district or special education unit must be paid by the superintendent of public instruction
7 to the department of human services on behalf of the school district or unit.

8 **SECTION 12. GENERAL EDUCATIONAL DEVELOPMENT GRADUATE**

9 **ASSESSMENT - FUNDING.** The department of public instruction shall make available, from
10 funds appropriated in subdivision 1 of section 1 of this Act, for the state assessment program,
11 amounts necessary, as requested by adult education providers to defray the costs of
12 assessment testing of individuals pursuing a general educational development diploma, for the
13 biennium beginning July 1, 2009, and ending June 30, 2011.

14 **SECTION 13. TEACHER OF THE YEAR PROGRAM - FUNDING.** The department of
15 public instruction shall administer a teacher of the year program for the biennium beginning
16 July 1, 2009, and ending June 30, 2011. The department of public instruction shall assign
17 responsibility to its department staff to coordinate the annual event, including preparation of
18 application materials, distribution of materials to the selection committee, publicity, and
19 planning of the event at which the recipient of the award is announced. The selection
20 committee appointed by the department of public instruction may not include more than one
21 representative from any education-related organization or association.

22 **SECTION 14. INDIRECT COST ALLOCATION.** Notwithstanding section 54-44.1-15,
23 the department of public instruction may deposit indirect cost recoveries in its operating
24 account.

25 **SECTION 15. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
26 subdivision 2 of section 1 of this Act includes \$1,300,000 for aid to public libraries, of which no
27 more than one-half is to be expended during the fiscal year ending June 30, 2010.

28 **SECTION 16. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND**
29 **OPERATING FUND.** Any moneys included in the estimated income line item in subdivision 4
30 of section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the

1 North Dakota vision services - school for the blind operating fund in the state treasury and may
2 be spent subject to appropriation by the legislative assembly.

3 **SECTION 17. CONTINGENT APPROPRIATION - SUPPLEMENTAL**

4 **TRANSPORTATION AID PAYMENTS.**

- 5 1. There is appropriated out of any moneys in the general fund in the state treasury,
6 not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may
7 be necessary, to the superintendent of public instruction for the purpose of
8 providing supplemental transportation aid payments, for the biennium beginning
9 July 1, 2009, and ending June 30, 2011.
- 10 2. If the office of management and budget determines by July 31, 2010, that the
11 June 30, 2011, ending balance of the state general fund will be more than
12 \$30,000,000 in excess of the amount predicted by the office of management and
13 budget at the conclusion of the 2009 legislative session, the superintendent of
14 public instruction shall provide \$5,000,000 as supplemental transportation aid
15 payments to school districts.
- 16 3. If the general fund balance requirements of subsection 2 are not met and if the
17 office of management and budget determines by April 30, 2011, that the June 30,
18 2011, ending balance of the state general fund will be more than \$30,000,000 in
19 excess of the amount predicted by the office of management and budget at the
20 conclusion of the 2009 legislative session, the superintendent of public instruction
21 shall provide \$5,000,000 as supplemental transportation aid payments to school
22 districts.
- 23 4. The superintendent of public instruction shall pro rate the supplemental
24 transportation payments according to the percentage of the total transportation
25 formula amount that each school district is entitled to receive under 2009 House
26 Bill No. 1400 as approved by the sixty-first legislative assembly.

27 **SECTION 18. CONTINGENT APPROPRIATION - DEFERRED MAINTENANCE AND**
28 **PHYSICAL PLANT IMPROVEMENT GRANTS.**

- 29 1. There is appropriated out of any moneys in the general fund in the state treasury,
30 not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as
31 may be necessary, to the superintendent of public instruction for the purpose of

- 1 awarding grants to eligible school districts for deferred maintenance and physical
2 plant improvements, for the biennium beginning July 1, 2009, and ending June 30,
3 2011.
- 4 2. If the office of management and budget determines by July 31, 2010, that the June
5 30, 2011, ending balance of the state general fund will be more than \$30,000,000
6 in excess of the amount predicted by the office of management and budget at the
7 conclusion of the 2009 legislative session, the superintendent of public instruction
8 shall forward to each eligible school district:
- 9 a. Twenty thousand dollars; plus
10 b. The school district's pro rata share of the remaining appropriation, calculated
11 by using the latest available average daily membership of each school district.
- 12 3. If the general fund balance requirements of subsection 2 are not met and if the
13 office of management and budget determines by April 30, 2011, that the June 30,
14 2011, ending balance of the state general fund will be more than \$30,000,000 in
15 excess of the amount predicted by the office of management and budget at the
16 conclusion of the 2009 legislative session, the superintendent of public instruction
17 shall forward to each eligible school district:
- 18 a. Twenty thousand dollars; plus
19 b. The school district's pro rata share of the remaining appropriation, calculated
20 by using the latest available average daily membership of each school district.
- 21 4. By June 30, 2012, each school district that receives a deferred maintenance and
22 physical plant improvement grant from the superintendent of public instruction
23 shall:
- 24 a. Submit to the superintendent documentation detailing how the grant funds
25 were expended; and
26 b. Return any unexpended grant funds to the superintendent for deposit in the
27 general fund.
- 28 5. The superintendent of public instruction may provide a deferred maintenance and
29 physical plant improvement grant only to a school district that:
- 30 a. Has a general fund levy equal to at least one hundred fifty mills for the taxable
31 year 2008;

- 1 b. Is not precluded from receiving state aid by the provisions of section
2 15.1-27-35.3; and
3 c. Provides a monetary match equal to the grant amount.

4 **SECTION 19. FUTURE SERVICES PLAN AND IMPLEMENTATION - SCHOOL FOR**
5 **THE DEAF.** The department of public instruction and school for the deaf shall develop a plan
6 for future services to be offered by the school for the deaf and begin implementing the plan for
7 the biennium beginning July 1, 2009, and ending June 30, 2011. As part of the plan, the
8 department of public instruction and school for the deaf shall:

- 9 1. Review the needs of all deaf and hearing-impaired persons throughout the state
10 and develop a plan to provide comprehensive outreach services to all North
11 Dakota citizens who are deaf or hearing-impaired.
12 2. Explore the development of partnerships with other states relating to the provision
13 of residential and educational services to individuals who are deaf or
14 hearing-impaired.
15 3. Review current research and national trends in the provision of services to
16 students who are deaf or hearing-impaired.
17 4. Meet regularly with a transition team appointed by the superintendent of public
18 instruction consisting of representation from the legislative assembly, parents of
19 school for the deaf students, school for the deaf employees, members of the Devils
20 Lake community, school for the deaf alumni, and others.
21 5. Explore the feasibility of implementing revenue-generating activities at the school
22 for the deaf.
23 6. Develop a long-range site and facility plan for the school for the deaf campus.

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

26 **15.1-02-02. Salary.** The annual salary of the superintendent of public instruction is
27 ~~eighty-seven~~ ninety-five thousand one hundred ~~three~~ sixteen dollars through June 30, ~~2008~~
28 2010, and ~~ninety~~ ninety-nine thousand ~~five~~ eight hundred ~~eighty-seven~~ seventy-two dollars
29 thereafter.

30 **SECTION 21. AMENDMENT.** Subsection 6 of section 15.1-29-14 of the North Dakota
31 Century Code is amended and reenacted as follows:

