

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 for the distribution of funding for gifted and talented programs
 4 and other grants; to amend and reenact section 15.1-02-02 of the North Dakota Century Code,
 5 relating to the salary of the superintendent of public instruction; to provide an exemption; to
 6 amend sections 54 and 59 of chapter 175 of the 2009 Session Laws, relating to funds
 7 appropriated for transportation and state school aid; and to declare an emergency.

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

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
 10 as may be necessary, are appropriated out of any moneys in the general fund in the state
 11 treasury, not otherwise appropriated, and from special funds derived from federal funds and
 12 other income, to the department of public instruction, the school for the deaf, North Dakota
 13 vision services - school for the blind, and the state library for the purpose of defraying the
 14 expenses of those agencies, for the biennium beginning July 1, 2011, and ending June 30,
 15 2013, as follows:

16 Subdivision 1.

17 DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
18				
19				
20	Salaries and wages	\$13,504,455	\$904,845	\$14,409,300
21	Operating expenses	30,770,801	(1,119,614)	29,651,187
22	Grants - State school aid	722,725,958	196,733,520	919,459,478
23	Grants - Special education contracts	15,500,000	500,000	16,000,000
24	Grants - Supplemental one-time	85,644,337	(85,644,337)	0

Sixty-second
Legislative Assembly

1	Grants - Supplemental operations	16,795,584	(16,795,584)	0
2	Grants - Transportation	43,500,000	5,000,000	48,500,000
3	Grants - Other grants	245,203,721	57,526,761	302,730,482
4	Grants - Mill levy reduction	295,000,000	46,790,000	341,790,000
5	ATCS review panel	0	300,000	300,000
6	Education jobs fund	0	21,517,716	21,517,716
7	Transportation efficiency	30,000	0	30,000
8	National board certification	<u>102,500</u>	<u>82,500</u>	<u>185,000</u>
9	Total all funds	\$1,468,777,356	\$225,795,807	\$1,694,573,163
10	Less estimated income	<u>360,597,766</u>	<u>431,910,657</u>	<u>792,508,423</u>
11	Total general fund	\$1,108,179,590	(\$206,114,850)	\$902,064,740
12	Full-time equivalent positions	99.75	0.00	99.75

13 Subdivision 2.

14 STATE LIBRARY

15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Salaries and wages	\$3,193,791	\$256,568	\$3,450,359
18	Operating expenses	1,482,573	213,153	1,695,726
19	Grants	<u>1,852,500</u>	<u>400,000</u>	<u>2,252,500</u>
20	Total all funds	\$6,528,864	\$869,721	\$7,398,585
21	Less estimated income	<u>1,927,836</u>	<u>206,774</u>	<u>2,134,610</u>
22	Total general fund	\$4,606,028	\$662,947	\$5,263,975
23	Full-time equivalent positions	29.75	0.00	29.75

24 Subdivision 3.

25 SCHOOL FOR THE DEAF

26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Salaries and wages	\$5,429,998	\$502,640	\$5,932,638
29	Operating expenses	1,572,603	61,308	1,633,911
30	Capital assets	327,745	712,485	1,040,230
31	Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>

Sixty-second
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1	Total all funds	\$7,530,346	\$1,276,433	\$8,806,779
2	Less estimated income	<u>1,331,450</u>	<u>756,557</u>	<u>2,088,007</u>
3	Total general fund	\$6,198,896	\$519,876	\$6,718,772
4	Full-time equivalent positions	43.94	0.00	43.94

5 Subdivision 4.

6 VISION SERVICES - SCHOOL FOR THE BLIND

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Salaries and wages	\$3,531,264	\$284,561	\$3,815,825
10	Operating expenses	667,006	84,500	751,506
11	Contingency	0	300,000	300,000
12	Capital assets	<u>39,500</u>	<u>8,500</u>	<u>48,000</u>
13	Total all funds	\$4,237,770	\$677,561	\$4,915,331
14	Less estimated income	<u>815,902</u>	<u>19,189</u>	<u>835,091</u>
15	Total general fund	\$3,421,868	\$658,372	\$4,080,240
16	Full-time equivalent positions	29.50	0.00	29.50

17 Subdivision 5.

18 BILL TOTAL

19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Grand total general fund	\$1,122,401,382	(\$204,273,655)	\$918,127,727
22	Grand total special funds	\$364,672,954	\$432,893,177	\$797,566,131
23	Grand total all funds	\$1,487,074,336	\$228,619,522	\$1,715,693,858

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

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

28	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
29	Department of public instruction		
30	IT application rewrite and maintenance	\$500,000	\$384,000
31	ESPB database	0	200,000

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1	National board certification fund	500,000	0
2	Federal fiscal stimulus - School aid	85,644,337	0
3	Federal fiscal stimulus - Other	67,379,051	0
4	Geographic alliance endowment	<u>226,000</u>	<u>0</u>
5	Total department of public instruction - All funds	\$154,249,388	\$584,000
6	Total department of public instruction -	<u>153,023,388</u>	<u>0</u>
7	Estimated income		
8	Total department of public instruction -	\$1,226,000	\$584,000
9	General fund		
10	School for the deaf		
11	Virtual services business plan	\$25,000	\$0
12	Facility master plan	41,000	0
13	Extraordinary repairs	0	103,800
14	Trades building remodel	<u>1,670,000</u>	<u>0</u>
15	Total school for the deaf - All funds	\$1,736,000	\$103,800
16	Total school for the deaf - Estimated income	<u>835,000</u>	0
17	Total school for the deaf - General fund	\$901,000	\$103,800
18	School for the blind - Vision services		
19	Equipment	\$39,200	\$8,500
20	Window replacement	31,000	0
21	Contingency	0	300,000
22	Facility master plan	0	20,000
23	Instructional equipment	<u>0</u>	<u>24,500</u>
24	Total school for the blind - All funds	\$70,200	\$353,000
25	Total school for the blind - Estimated income	<u>0</u>	0
26	Total school for the blind - General fund	\$70,200	\$353,000
27	Grand total - All funds	\$156,055,588	\$1,040,800
28	Grand total - Estimated income	\$153,858,388	\$0
29	Grand total - General fund	\$2,197,200	\$1,040,800
30	The 2011-13 one-time funding amounts are not a part of the entity's base budget for the		
31	2013-15 biennium. The department of public instruction, school for the deaf, and school for the		

1 blind - vision services shall report to the appropriations committees of the sixty-third legislative
2 assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and
3 ending June 30, 2013.

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

8 **SECTION 4. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$101,638,000,
9 included in the grants - state school aid line item in subdivision 1 of section 1 of this Act, is from
10 the state tuition fund in the state treasury. Any additional amount in the state tuition fund that
11 becomes available for distribution to public schools is appropriated to the department of public
12 instruction for that purpose for the biennium beginning July 1, 2011, and ending June 30, 2013.

13 **SECTION 5. MILL LEVY REDUCTION GRANTS - FUNDING FROM PROPERTY TAX**
14 **RELIEF FUND.** The grants - mill levy reduction and estimated income line items contained in
15 subdivision 1 of section 1 of this Act include \$341,790,000 from the property tax relief
16 sustainability fund which is appropriated to the department of public instruction for the purpose
17 of providing mill levy reduction grants to school districts during the biennium beginning July 1,
18 2011, and ending June 30, 2013.

19 **SECTION 6. STATE SCHOOL AID AND SPECIAL EDUCATION CONTRACTS**
20 **EXPENDITURE AUTHORITY.** The superintendent of public instruction may expend funds
21 included in the grants - state school aid and grants - special education contracts line items in
22 subdivision 1 of section 1 of this Act in payment of grants for educational services that were due
23 in the 2009-11 biennium but which were not filed, claimed, or properly supported by the
24 education provider until after June 30, 2011.

25 **SECTION 7. GIFTED AND TALENTED PROGRAM - FUNDING - DISTRIBUTION.** The
26 sum of \$800,000, included in the grants - state school aid line item in subdivision 1 of section 1
27 of this Act, must be distributed to reimburse school districts or special education units for gifted
28 and talented programs upon the submission of an application that is approved in accordance
29 with guidelines adopted by the superintendent of public instruction. The superintendent of public
30 instruction shall encourage cooperative efforts for gifted and talented programs among school
31 districts and special education units. State school aid payments for special education must be

1 reduced by the amount of matching funds required to be paid by school districts or special
2 education units for students participating in the medicaid program. Special education funds
3 equal to the amount of the matching funds required to be paid by the school district or special
4 education unit must be paid by the superintendent of public instruction to the department of
5 human services on behalf of the school district or unit.

6 **SECTION 8. TEACHER OF THE YEAR PROGRAM.** The department of public instruction
7 shall administer a teacher of the year program for the biennium beginning July 1, 2011, and
8 ending June 30, 2013. The department of public instruction shall assign responsibility to its
9 department staff to coordinate the annual event, including preparation of application materials,
10 distribution of materials to the selection committee, publicity, and planning of the event at which
11 the recipient of the award is announced. The selection committee appointed by the department
12 of public instruction may not include more than one representative from any education-related
13 organization or association.

14 **SECTION 9. INDIRECT COST ALLOCATION.** Notwithstanding section 54-44.1-15, the
15 department of public instruction may deposit indirect cost recoveries in its operating account.

16 **SECTION 10. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
17 subdivision 2 of section 1 of this Act includes \$1,500,000 for aid to public libraries, of which no
18 more than one-half is to be expended during the fiscal year ending June 30, 2012.

19 **SECTION 11. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND**
20 **OPERATING FUND.** Any moneys included in the estimated income line item in subdivision 4 of
21 section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the
22 North Dakota vision services - school for the blind operating fund in the state treasury and may
23 be spent subject to appropriation by the legislative assembly.

24 **SECTION 12. VISION SERVICES - SCHOOL FOR THE BLIND CONTINGENCY.**

- 25 1. The vision services - school for the blind may transfer from the contingency line item
26 contained in subdivision 4 of section 1 of this Act to other line items contained in that
27 subsection if the following conditions have been met:
- 28 a. The tenant of the school for the blind school building has notified the
29 superintendent of North Dakota vision services - school for the blind that it will not
30 renew its lease to occupy the premises.

- 1 b. North Dakota vision services - school for the blind has completed a facility master
- 2 plan regarding the use and condition of its facilities.
- 3 2. Up to \$300,000 may be transferred for the following purposes:
- 4 a. Up to \$150,000 to the salaries and wages and operating expenses line items, not
- 5 to exceed the actual amount of lost rental income resulting from the current
- 6 tenant not renewing its lease.
- 7 b. Up to \$150,000 to the capital assets line item for capital improvements:
- 8 (1) Determined necessary to meet the needs of a new tenant that has provided
- 9 a signed letter of intent to lease the premises.
- 10 (2) Determined to be in accordance with the facility master plan.

11 **SECTION 13. SCHOOL FOR THE DEAF - EXEMPTION - TRANSFER.** Up to \$835,000 of
12 the amount appropriated to the school for the deaf from the general fund, as provided in
13 chapter 13 of the 2009 Session Laws, for the trades building remodeling project and not spent
14 or obligated as of June 30, 2011, is not subject to the provisions of section 54-44.1-11 and shall
15 be transferred by the director of the office of management and budget to the school for the deaf
16 fund during the biennium beginning July 1, 2011, and ending June 30, 2013.

17 **SECTION 14. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT**
18 **PROGRAM.** The grants line item contained in subdivision 3 of section 1 of this Act is for the
19 purpose of providing grants to assist institutions under the control of the state board of higher
20 education with the cost of interpreters and real-time captioning for students who are deaf or
21 hard of hearing for the biennium beginning July 1, 2011, and ending June 30, 2013. Moneys
22 appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed
23 pursuant to the provisions of this section:

- 24 1. The school for the deaf shall develop a formula to determine the grant amount for
- 25 which an institution is eligible. The formula must be based on a uniform hourly
- 26 reimbursement.
- 27 2. To obtain a grant under this section, an institution shall submit to the school for the
- 28 deaf, at the time and in the manner directed by the school, invoices showing the
- 29 amount expended for interpreters and real-time captioning for students who are deaf
- 30 or hard of hearing.

- 1 3. The school for the deaf may not distribute more than fifty percent of the amount
- 2 appropriated during the first year of the biennium.
- 3 4. If any grant moneys remain undistributed at the end of the biennium, the school for the
- 4 deaf shall provide additional prorated grants to institutions that incurred during the
- 5 biennium hourly expenses in excess of the formula reimbursement level.
- 6 5. At the request of an institution under the control of the state board of higher education,
- 7 the school for the deaf shall consult with the institution and provide advice regarding
- 8 the provision of services most appropriate to meet a student's needs.

9 **SECTION 15. AMENDMENT.** Section 54 of chapter 175 of the 2009 Session Laws is
10 amended and reenacted as follows:

11 **SECTION 54. TRANSPORTATION GRANTS - DISTRIBUTION.**

- 12 1. During each year of the 2009-11 biennium, the superintendent of public
- 13 instruction shall calculate the payment to which each school district is entitled
- 14 based on the state transportation formula as it existed on June 30, 2001, except
- 15 that the superintendent shall provide reimbursement at the rate of:
- 16 a. Ninety-two cents per mile for schoolbuses having a capacity of ten or more
- 17 passengers;
- 18 b. Forty-four cents per mile for vehicles having a capacity of nine or fewer
- 19 passengers; and
- 20 c. Twenty-four cents per student for each one-way trip.
- 21 2. The superintendent of public instruction shall use the latest available student
- 22 enrollment count in each school district in applying the provisions of the
- 23 transportation formula as it existed on June 30, 2001.
- 24 3. If any moneys provided for transportation payments in the grants - transportation
- 25 line item in the appropriation bill for the superintendent of public instruction, as
- 26 approved by the sixty-first legislative assembly, remain after application of the
- 27 formula provided for in this section, the superintendent of public instruction shall
- 28 prorate:
- 29 a. Reserve the first one million dollars, which is not subject to the provisions of
- 30 section 54-44.1-11 and must be used to provide per student payments
- 31 during the biennium beginning July 1, 2011, and ending June 30, 2013.

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

2 The annual salary of the superintendent of public instruction is ~~ninety-five~~one hundred two
3 thousand ~~one~~eight hundred ~~sixteen~~sixty-eight dollars through June 30, 2010~~2011~~2012, and
4 ~~ninety-nine~~one hundred five thousand ~~eight~~nine hundred ~~seventy-two~~fifty-four dollars thereafter.

5 **SECTION 18. EMERGENCY.** Sections 3, 15, and 16 of this Act and \$21,517,716
6 appropriated in the education jobs fund line item in subdivision 1 of section 1 of this Act are
7 declared to be an emergency measure.