

Sixty-second  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2013

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 regional education association  
4 grants, alternative education program grants, gifted and talented programs and other grants; to  
5 provide a contingent appropriation; to amend and reenact section 15.1-02-02 of the North  
6 Dakota Century Code, relating to the salary of the superintendent of public instruction; to repeal  
7 section 15.1-13-33 of the North Dakota Century Code, relating to the national board certification  
8 fund; to provide an exemption; to provide for a transfer; to amend and reenact sections 54 and  
9 59 of chapter 175 of the 2009 Session Laws, relating to funds appropriated for transportation  
10 and state school aid; and to declare an emergency.

11 **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.

## DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
22 Salaries and wages	\$13,504,455	\$904,845	\$14,409,300
23 Operating expenses	30,770,801	(1,019,614)	29,751,187

Sixty-second  
Legislative Assembly

1	Grants - State school aid	722,725,958	196,733,520	919,459,478
2	Grants - Special education contracts	15,500,000	500,000	16,000,000
3	Grants - Supplemental one-time	85,644,337	(85,644,337)	0
4	Grants - Supplemental operations	16,795,584	(16,795,584)	0
5	Grants - Transportation	43,500,000	5,000,000	48,500,000
6	Grants - Other grants	245,203,721	57,760,261	302,963,982
7	Grants - Mill levy reduction	295,000,000	46,790,000	341,790,000
8	Education jobs fund	0	21,517,716	21,517,716
9	Transportation efficiency	30,000	0	30,000
10	National board certification	<u>102,500</u>	<u>82,500</u>	<u>185,000</u>
11	Total all funds	\$1,468,777,356	\$225,829,307	\$1,694,606,663
12	Less estimated income	<u>360,597,766</u>	<u>432,395,657</u>	<u>792,993,423</u>
13	Total general fund	\$1,108,179,590	(\$206,566,350)	\$901,613,240
14	Full-time equivalent positions	99.75	0.00	99.75

Subdivision 2.

STATE LIBRARY

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

Subdivision 3.

SCHOOL FOR THE DEAF

28			Adjustments or	
29		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
30	Salaries and wages	\$5,429,998	\$502,640	\$5,932,638
31	Operating expenses	1,572,603	61,308	1,633,911

Sixty-second  
Legislative Assembly

1	Capital assets	327,745	712,485	1,040,230
2	Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>
3	Total all funds	\$7,530,346	\$1,276,433	\$8,806,779
4	Less estimated income	<u>1,331,450</u>	<u>756,557</u>	<u>2,088,007</u>
5	Total general fund	\$6,198,896	\$519,876	\$6,718,772
6	Full-time equivalent positions	43.94	0.00	43.94

7 Subdivision 4.

8 VISION SERVICES - SCHOOL FOR THE BLIND

9			Adjustments or	
10		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11	Salaries and wages	\$3,531,264	\$284,561	\$3,815,825
12	Operating expenses	667,006	84,500	751,506
13	Capital assets	<u>39,500</u>	<u>25,500</u>	<u>65,000</u>
14	Total all funds	\$4,237,770	\$394,561	\$4,632,331
15	Less estimated income	<u>815,902</u>	<u>19,189</u>	<u>835,091</u>
16	Total general fund	\$3,421,868	\$375,372	\$3,797,240
17	Full-time equivalent positions	29.50	0.00	29.50

18 Subdivision 5.

19 BILL TOTAL

20			Adjustments or	
21		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
22	Grand total general fund	\$1,122,401,382	(\$205,008,155)	\$917,393,227
23	Grand total special funds	\$364,672,954	\$433,378,177	\$798,051,131
24	Grand total all funds	\$1,487,074,336	\$228,370,022	\$1,715,444,358

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

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

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

Sixty-second  
Legislative Assembly

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	\$384,000
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	\$384,000
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>	<u>0</u>
17	Total school for the deaf - General fund	\$901,000	\$103,800
18	School for the blind - Vision services		
19	Equipment	\$39,200	\$25,500
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	\$370,000
25	Total school for the blind - Estimated income	<u>0</u>	<u>0</u>
26	Total school for the blind - General fund	\$70,200	\$370,000
27	Grand total - All funds	\$156,055,588	\$857,800
28	Grand total - Estimated income	\$153,858,388	\$0
29	Grand total - General fund	\$2,197,200	\$857,800
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. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2011-13  
26 biennium, the superintendent of public instruction shall expend up to \$800,000 from the grants -  
27 state school aid line item in subdivision 1 of section 1 of this Act for the purpose of providing an  
28 annual grant to each eligible regional education association in order to assist each association  
29 with the cost of compensating a coordinator.

30 1. In order to receive a grant under this section, each regional education association  
31 must:

- 1           a. Enter a contract with an individual to serve as a coordinator, on a full-time or a
- 2                     part-time basis, for a duration of at least twelve months; and
- 3           b. Provide from other revenue sources at least thirty percent of the total
- 4                     compensation payable to the coordinator.
- 5           2. The maximum grant payable to a regional education association under this section
- 6                     during each year of the biennium is the lesser of \$50,000 or seventy percent of the
- 7                     total compensation payable to the coordinator.

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

9           **DISTRIBUTION.** The sum of \$460,000, included in the grants - other education line item in

10           subdivision 1 of section 1 of this Act must be distributed for the purpose of providing payments

11           to eligible school districts that offer alternative education programs to students in grades six

12           through eight, for the biennium beginning July 1, 2011, and ending June 30, 2013. In order to

13           determine the payment per student, the superintendent of public instruction shall multiply the

14           number of full-time equivalent students in grades six through eight who are enrolled during the

15           2012-13 school year in an average of at least fifteen hours per week of alternative education

16           programming by a weighting factor that may not exceed 0.20.

17           **SECTION 9. GIFTED AND TALENTED PROGRAM - FUNDING - DISTRIBUTION.** The

18           sum of \$800,000, included in the grants - state school aid line item in subdivision 1 of section 1

19           of this Act, must be distributed to reimburse school districts or special education units for gifted

20           and talented programs upon the submission of an application that is approved in accordance

21           with guidelines adopted by the superintendent of public instruction. The superintendent of public

22           instruction shall encourage cooperative efforts for gifted and talented programs among school

23           districts and special education units. State school aid payments for special education must be

24           reduced by the amount of matching funds required to be paid by school districts or special

25           education units for students participating in the medicaid program. Special education funds

26           equal to the amount of the matching funds required to be paid by the school district or special

27           education unit must be paid by the superintendent of public instruction to the department of

28           human services on behalf of the school district or unit.

29           **SECTION 10. TEACHER OF THE YEAR PROGRAM.** The department of public instruction

30           shall administer a teacher of the year program for the biennium beginning July 1, 2011, and

31           ending June 30, 2013. The department of public instruction shall assign responsibility to its

1 department staff to coordinate the annual event, including preparation of application materials,  
2 distribution of materials to the selection committee, publicity, and planning of the event at which  
3 the recipient of the award is announced. The selection committee appointed by the department  
4 of public instruction may not include more than one representative from any education-related  
5 organization or association.

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

8 **SECTION 12. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in  
9 subdivision 2 of section 1 of this Act includes \$1,500,000 for aid to public libraries, of which no  
10 more than one-half is to be expended during the fiscal year ending June 30, 2012.

11 **SECTION 13. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND**  
12 **OPERATING FUND.** Any moneys included in the estimated income line item in subdivision 4 of  
13 section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the  
14 North Dakota vision services - school for the blind operating fund in the state treasury and may  
15 be spent subject to appropriation by the legislative assembly.

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

22 **SECTION 15. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT**  
23 **PROGRAM.** The grants line item contained in subdivision 3 of section 1 of this Act is for the  
24 purpose of providing grants to assist institutions under the control of the state board of higher  
25 education with the cost of interpreters and real-time captioning for students who are deaf or  
26 hard of hearing for the biennium beginning July 1, 2011, and ending June 30, 2013. Moneys  
27 appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed  
28 pursuant to the provisions of this section:

29 1. The school for the deaf shall develop a formula to determine the grant amount for  
30 which an institution is eligible. The formula must be based on a uniform hourly  
31 reimbursement.

- 1        2. To obtain a grant under this section, an institution shall submit to the school for the  
2            deaf, at the time and in the manner directed by the school, invoices showing the  
3            amount expended for interpreters and real-time captioning for students who are deaf  
4            or hard of hearing.
- 5        3. The school for the deaf may not distribute more than fifty percent of the amount  
6            appropriated during the first year of the biennium.
- 7        4. If any grant moneys remain undistributed at the end of the biennium, the school for the  
8            deaf shall provide additional prorated grants to institutions that incurred during the  
9            biennium hourly expenses in excess of the formula reimbursement level.
- 10       5. At the request of an institution under the control of the state board of higher education,  
11            the school for the deaf shall consult with the institution and provide advice regarding  
12            the provision of services most appropriate to meet a student's needs.

13        **SECTION 16. CONTINGENT APPROPRIATION - SCHOOL DISTRICT DEFERRED**  
14        **MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

- 15       1. There is appropriated out of any moneys in the general fund in the state treasury, not  
16            otherwise appropriated, the sum of \$7,000,000, or so much of the sum as may be  
17            necessary, to the superintendent of public instruction for the purpose of awarding to  
18            eligible school districts deferred maintenance and physical plant improvement grants,  
19            in accordance with the provisions of this section, for the biennium beginning July 1,  
20            2011, and ending June 30, 2013.
- 21       2. If the office of management and budget determines by April 30, 2012, that the  
22            June 30, 2012, ending balance of the state general fund will be more than  
23            \$30,000,000 in excess of the amount predicted by the office of management and  
24            budget at the conclusion of the 2011 legislative session, the superintendent of public  
25            instruction shall forward to each eligible school district:
  - 26            a. Ten thousand dollars; plus
  - 27            b. The school district's pro rata share of the remaining appropriation, calculated by  
28                using the latest available average daily membership of each school district.
- 29       3. If the general fund balance requirements of subsection 2 are not met and if the office  
30            of management and budget determines by April 30, 2013, that the June 30, 2013,  
31            ending balance of the state general fund will be more than \$30,000,000 in excess of



- 1 the amount predicted by the office of management and budget at the conclusion of the  
2 2011 legislative session, the superintendent of public instruction shall forward to each  
3 eligible school district:
- 4 a. Ten thousand dollars; plus
  - 5 b. The school district's pro rata share of the remaining appropriation, calculated by  
6 using the latest available average daily membership of each school district.
- 7 4. Each school district accepting funds under this section shall apply those funds toward  
8 deferred maintenance and physical plant improvements and shall, by June 30, 2014:
- 9 a. Submit to the superintendent of public instruction documentation indicating the  
10 appropriate expenditure of the funds; or
  - 11 b. Return the funds to the superintendent of public instruction for deposit in the  
12 general fund.
- 13 5. For purposes of this section, an "eligible school district" is a school district that:
- 14 a. Has a general fund levy equal to at least one hundred fifty mills, before any  
15 reduction for property tax allocations under chapter 57-64;
  - 16 b. Is not precluded from receiving state aid by the provisions of section  
17 15.1-27-35.3; and
  - 18 c. Provides an equal monetary match for any amount received under this section.

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

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

- 22 1. During each year of the 2009-11 biennium, the superintendent of public  
23 instruction shall calculate the payment to which each school district is entitled  
24 based on the state transportation formula as it existed on June 30, 2001, except  
25 that the superintendent shall provide reimbursement at the rate of:
- 26 a. Ninety-two cents per mile for schoolbuses having a capacity of ten or more  
27 passengers;
  - 28 b. Forty-four cents per mile for vehicles having a capacity of nine or fewer  
29 passengers; and
  - 30 c. Twenty-four cents per student for each one-way trip.

- 1           2. The superintendent of public instruction shall use the latest available student  
2           enrollment count in each school district in applying the provisions of the  
3           transportation formula as it existed on June 30, 2001.
- 4           3. If any moneys provided for transportation payments in the grants - transportation  
5           line item in the appropriation bill for the superintendent of public instruction, as  
6           approved by the sixty-first legislative assembly, remain after application of the  
7           formula provided for in this section, the superintendent of public instruction shall  
8           prorate:
  - 9           a. Reserve the first one million dollars, which is not subject to the provisions of  
10           section 54-44.1-11 and must be used to provide per student payments  
11           during the biennium beginning July 1, 2011, and ending June 30, 2013.
  - 12           b. Prorate the remaining amounts according to the percentage of the total  
13           transportation formula amount to which each school district is entitled.
- 14          4. This section does not authorize the reimbursement of any costs incurred in  
15          providing transportation for student attendance at extracurricular activities or  
16          events.

17           **SECTION 18. AMENDMENT.** Section 59 of chapter 175 of the 2009 Session Laws is  
18          amended and reenacted as follows:

19           **SECTION 59. CONTINGENT MONEY - 2009-11.**

- 20          1. In determining the availability of contingent money under this section, the  
21          superintendent of public instruction shall first add to the money in the grants -  
22          state school aid line item in the appropriation bill for the superintendent of public  
23          instruction, as approved by the sixty-first legislative assembly, any money that  
24          was appropriated to the superintendent for special education contracts and which  
25          remains after the superintendent complied with all statutory special education  
26          contract payment obligations imposed for the biennium beginning July 1, 2009,  
27          and ending June 30, 2011.
- 28          2. If any money that was appropriated to the superintendent of public instruction for  
29          grants - state aid payments to school districts or added to the grants - state  
30          school aid line item in accordance with subsection 1 remains after the  
31          superintendent complies with all statutory payment obligations imposed for the

1 biennium beginning July 1, 2009, and ending June 30, 2011, the superintendent  
2 shall use:

- 3 a. Reserve the first eight million dollars, which is not subject to the provisions  
4 of section 54-44.1-11 and must be used to provide per student payments  
5 during the biennium beginning July 1, 2011, and ending June 30, 2013.  
6 b. Use the money to provide additional per student payments on a prorated  
7 basis according to the latest available average daily membership of each  
8 school district.

9 **SECTION 19. TRANSFER - NATIONAL BOARD CERTIFICATION FUND - GENERAL**  
10 **FUND.** The office of management and budget shall transfer any balance remaining in the  
11 national board certification fund at the end of the 2011-13 biennium to the general fund. For  
12 purposes of this section, "at the end of the 2011-13 biennium" means after cancellation of  
13 unexpended appropriations under section 54-44.1-1-11.

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

16 **15.1-02-02. Salary.**

17 The annual salary of the superintendent of public instruction is ~~ninety-five~~ one hundred two  
18 thousand ~~one~~ ~~eight~~ hundred ~~six~~ ~~teen~~ ~~sixty~~ ~~eight~~ dollars through June 30, 2010 2012, and  
19 ninety-nine one hundred five thousand eight nine hundred seventy-two fifty-four dollars thereafter.

20 **SECTION 21. REPEAL.** Section 15.1-13-33 of the North Dakota Century Code is repealed.

21 **SECTION 22. EMERGENCY.** Sections 3, 17, and 18 of this Act and \$21,517,716  
22 appropriated in the education jobs fund line item in subdivision 1 of section 1 of this Act are  
23 declared to be an emergency measure.