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Sixty-second
Legislative Assembly
of North Dakota

**FIRST ENGROSSMENT
with Conference Committee Amendments
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 an appropriation to the information technology department; to
4 provide an appropriation to the North Dakota university system office; to provide for the
5 distribution of funding for regional education association grants, continuing education grants,
6 gifted and talented programs and medicaid matching funds, and other grants; to amend and
7 reenact section 15.1-02-02 of the North Dakota Century Code, relating to the salary of the
8 superintendent of public instruction; to repeal section 15.1-13-33 of the North Dakota Century
9 Code, relating to the national board certification fund; to provide an exemption; to provide for a
10 transfer; to amend and reenact sections 54 and 59 of chapter 175 of the 2009 Session Laws,
11 relating to funds appropriated for transportation and state school aid; to provide a statement of
12 legislative intent; and to declare an emergency.

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

14 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
15 as may be necessary, are appropriated out of any moneys in the general fund in the state
16 treasury, not otherwise appropriated, and from special funds derived from federal funds and
17 other income, to the department of public instruction, the school for the deaf, North Dakota
18 vision services - school for the blind, and the state library for the purpose of defraying the
19 expenses of those agencies, for the biennium beginning July 1, 2011, and ending June 30,
20 2013, as follows:

21 Subdivision 1.

22 DEPARTMENT OF PUBLIC INSTRUCTION

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		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Salaries and wages	\$13,504,455	\$904,845	\$14,409,300
4	Operating expenses	30,770,801	(1,087,614)	29,683,187
5	Grants - State school aid	722,725,958	195,733,520	918,459,478
6	Grants - Special education contracts	15,500,000	500,000	16,000,000
7	Grants - Supplemental one-time	85,644,337	(85,644,337)	0
8	Grants - Supplemental operations	16,795,584	(16,795,584)	0
9	Grants - Transportation	43,500,000	5,000,000	48,500,000
10	Grants - Other grants	245,203,721	58,780,672	303,984,393
11	Grants - Mill levy reduction	295,000,000	(295,000,000)	0
12	Education jobs fund	0	21,517,716	21,517,716
13	Transportation efficiency	30,000	0	30,000
14	National board certification	<u>102,500</u>	<u>82,500</u>	<u>185,000</u>
15	Total all funds	\$1,468,777,356	(\$116,008,282)	\$1,352,769,074
16	Less estimated income	<u>360,597,766</u>	<u>90,605,657</u>	<u>451,203,423</u>
17	Total general fund	\$1,108,179,590	(\$206,613,939)	\$901,565,651
18	Full-time equivalent positions	99.75	0.00	99.75

19 Subdivision 2.

20 STATE LIBRARY

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

30 Subdivision 3.

31 SCHOOL FOR THE DEAF

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		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Salaries and wages	\$502,640	\$5,932,638
4	Operating expenses	61,308	1,633,911
5	Capital assets	712,485	1,040,230
6	Grants	<u>0</u>	<u>200,000</u>
7	Total all funds	\$1,276,433	\$8,806,779
8	Less estimated income	<u>756,557</u>	<u>2,088,007</u>
9	Total general fund	\$519,876	\$6,718,772
10	Full-time equivalent positions	0.00	43.94

11 Subdivision 4.

12 VISION SERVICES - SCHOOL FOR THE BLIND

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13			
14			
15	Salaries and wages	\$284,561	\$3,815,825
16	Operating expenses	84,500	751,506
17	Capital assets	<u>25,500</u>	<u>65,000</u>
18	Total all funds	\$394,561	\$4,632,331
19	Less estimated income	<u>19,189</u>	<u>835,091</u>
20	Total general fund	\$375,372	\$3,797,240
21	Full-time equivalent positions	0.00	29.50

22 Subdivision 5.

23 BILL TOTAL

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24			
25			
26	Grand total general fund	(\$194,924,744)	\$927,476,638
27	Grand total special funds	<u>91,588,177</u>	<u>456,261,131</u>
28	Grand total all funds	(\$103,336,567)	\$1,383,737,769

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

30 **SIXTY-THIRD LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding

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1 items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13
2 one-time funding items included in the appropriation in section 1 of this Act:

3	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
4	Department of public instruction		
5	IT application rewrite and maintenance	\$500,000	\$384,000
6	National board certification fund	500,000	0
7	Federal fiscal stimulus - School aid	85,644,337	0
8	Federal fiscal stimulus - Other	67,379,051	0
9	Geographic alliance endowment	<u>226,000</u>	<u>0</u>
10	Total department of public instruction - All funds	\$154,249,388	\$384,000
11	Total department of public instruction -	<u>153,023,388</u>	<u>0</u>
12	Estimated income		
13	Total department of public instruction -	\$1,226,000	\$384,000
14	General fund		
15	School for the deaf		
16	Virtual services business plan	\$25,000	\$0
17	Facility master plan	41,000	0
18	Extraordinary repairs	0	103,800
19	Trades building remodel	<u>1,670,000</u>	<u>0</u>
20	Total school for the deaf - All funds	\$1,736,000	\$103,800
21	Total school for the deaf - Estimated income	<u>835,000</u>	<u>0</u>
22	Total school for the deaf - General fund	\$901,000	\$103,800
23	School for the blind - Vision services		
24	Equipment	\$39,200	\$25,500
25	Window replacement	31,000	0
26	Facility master plan	0	20,000
27	Instructional equipment	<u>0</u>	<u>24,500</u>
28	Total school for the blind - All funds	\$70,200	\$70,000
29	Total school for the blind - Estimated income	<u>0</u>	<u>0</u>
30	Total school for the blind - General fund	\$70,200	\$70,000
31	Grand total - All funds	\$156,055,588	\$557,800

1	Grand total - Estimated income	<u>153,858,388</u>	<u>0</u>
2	Grand total - General fund	\$2,197,200	\$557,800

3 The 2011-13 one-time funding amounts are not a part of the entity's base budget for the
4 2013-15 biennium. The department of public instruction, school for the deaf, and school for the
5 blind - vision services shall report to the appropriations committees of the sixty-third legislative
6 assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and
7 ending June 30, 2013.

8 **SECTION 3. ONE-TIME FUNDING - EDUCATION JOBS FUNDS.** The federal education
9 jobs funding of \$21,517,716 appropriated to the superintendent of public instruction in
10 subdivision 1 of section 1 of this Act is one-time funding for the 2011-13 biennium. The
11 superintendent of public instruction may not request funding from the general fund to replace
12 this one-time funding in its base budget request for the 2013-15 biennium.

13 **SECTION 4. APPROPRIATION - STAGENET CONNECTIVITY - INFORMATION**
14 **TECHNOLOGY DEPARTMENT.** There is appropriated out of any moneys in the general fund in
15 the state treasury, not otherwise appropriated, the sum of \$131,000, or so much of the sum as
16 may be necessary, to the information technology department for the purpose of completing
17 school district connectivity to STAGEnet, for the biennium beginning July 1, 2011, and ending
18 June 30, 2013.

19 **SECTION 5. APPROPRIATION - SCHOLARSHIP PROGRAMS - STATE BOARD OF**
20 **HIGHER EDUCATION.** There is appropriated out of any moneys in the general fund in the state
21 treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be
22 necessary, to the state board of higher education for the purpose of providing North Dakota
23 academic and career and technical education scholarships, for the biennium beginning July 1,
24 2011, and ending June 30, 2013.

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

29 **SECTION 7. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$101,638,000,
30 included in the grants - state school aid line item in subdivision 1 of section 1 of this Act, is from
31 the state tuition fund in the state treasury. Any additional amount in the state tuition fund that

1 becomes available for distribution to public schools is appropriated to the department of public
2 instruction for that purpose for the biennium beginning July 1, 2011, and ending June 30, 2013.

3 **SECTION 8. STATE SCHOOL AID AND SPECIAL EDUCATION CONTRACTS**

4 **EXPENDITURE AUTHORITY.** The superintendent of public instruction may expend funds
5 included in the grants - state school aid and grants - special education contracts line items in
6 subdivision 1 of section 1 of this Act in payment of grants for educational services that were due
7 in the 2009-11 biennium but which were not filed, claimed, or properly supported by the
8 education provider until after June 30, 2011.

9 **SECTION 9. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2011-13
10 biennium, the superintendent of public instruction shall expend up to \$800,000 from the grants -
11 state school aid line item in subdivision 1 of section 1 of this Act for the purpose of providing an
12 annual grant to each eligible regional education association in order to assist each association
13 with the cost of compensating a coordinator.

- 14 1. In order to receive a grant under this section, each regional education association
15 must:
- 16 a. Enter a contract with an individual to serve as a coordinator, on a full-time or a
17 part-time basis, for a duration of at least twelve months; and
 - 18 b. Provide from other revenue sources at least thirty percent of the total
19 compensation payable to the coordinator.
- 20 2. The maximum grant payable to a regional education association under this section
21 during each year of the biennium is the lesser of \$50,000 or seventy percent of the
22 total compensation payable to the coordinator.

23 **SECTION 10. RESERVED FUNDS - CONTINGENT ADULT EDUCATION LEARNING**

24 **CENTER GRANTS.** The sum of \$500,000, or so much of the sum as may be necessary, made
25 available under section 19 of this Act, must be used by the department of public instruction for
26 providing adult education learning center grants, for the biennium beginning July 1, 2011, and
27 ending June 30, 2013. The department may provide grants of up to \$250,000 during the first
28 year of the biennium only if federal funding available to the state for adult education is less than
29 \$900,000 in federal fiscal year 2012. Funding provided in the first year of the biennium is limited
30 to the difference between federal funding available in federal fiscal year 2012 and \$900,000.

1 The department may use any remaining funds for adult education learning center grants during
2 the second year of the biennium.

3 **SECTION 11. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION.** The
4 sum of \$100,000, or so much of the sum as may be necessary, included in the grants - other
5 grants line item in subdivision 1 of section 1 of this Act is provided for continuing education
6 grants, for the biennium beginning July 1, 2011, and ending June 30, 2013.

7 1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to
8 eligible recipients in chronological order, based on the date of an individual's
9 application. An eligible recipient must:

- 10 a. (1) Be licensed to teach by the education standards and practices board;
11 (2) Have taught in this state during each of the last three school years; and
12 (3) Be enrolled at an institution of higher education in this state in either a
13 master of education program in educational leadership or a program leading
14 to a specialist diploma in educational leadership;
- 15 b. Be pursuing the requirements for a certificate in career development facilitation;
16 or
17 c. Be pursuing a school counselor credential.

18 2. If any of the amount appropriated for this purpose remains after the superintendent of
19 public instruction has awarded grants to all eligible recipients, the superintendent shall
20 distribute that amount as an additional per student payment on a prorated basis,
21 according to the latest available average daily membership of each school district.

22 **SECTION 12. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING - FUNDING**
23 **- DISTRIBUTION.**

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

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

7 **SECTION 13. INDIRECT COST ALLOCATION.** Notwithstanding section 54-44.1-15, the
8 department of public instruction may deposit indirect cost recoveries in its operating account.

9 **SECTION 14. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
10 subdivision 2 of section 1 of this Act includes \$1,500,000 for aid to public libraries, of which no
11 more than one-half is to be expended during the fiscal year ending June 30, 2012.

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

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

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

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

16 **SECTION 18. AMENDMENT.** Section 54 of chapter 175 of the 2009 Session Laws is
17 amended and reenacted as follows:

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

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

1 3. If any moneys provided for transportation payments in the grants - transportation
2 line item in the appropriation bill for the superintendent of public instruction, as
3 approved by the sixty-first legislative assembly, remain after application of the
4 formula provided for in this section, the superintendent of public instruction shall
5 ~~prorate~~;

6 a. Reserve the first one million dollars, which is not subject to the provisions of
7 section 54-44.1-11 and must be used to provide per student payments
8 during the biennium beginning July 1, 2011, and ending June 30, 2013.

9 b. Prorate the remaining amounts according to the percentage of the total
10 transportation formula amount to which each school district is entitled.

11 4. This section does not authorize the reimbursement of any costs incurred in
12 providing transportation for student attendance at extracurricular activities or
13 events.

14 **SECTION 19. AMENDMENT.** Section 59 of chapter 175 of the 2009 Session Laws is
15 amended and reenacted as follows:

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

17 1. In determining the availability of contingent money under this section, the
18 superintendent of public instruction shall first add to the money in the grants -
19 state school aid line item in the appropriation bill for the superintendent of public
20 instruction, as approved by the sixty-first legislative assembly, any money that
21 was appropriated to the superintendent for special education contracts and which
22 remains after the superintendent complied with all statutory special education
23 contract payment obligations imposed for the biennium beginning July 1, 2009,
24 and ending June 30, 2011.

25 2. If any money that was appropriated to the superintendent of public instruction for
26 grants - state aid payments to school districts or added to the grants - state
27 school aid line item in accordance with subsection 1 remains after the
28 superintendent complies with all statutory payment obligations imposed for the
29 biennium beginning July 1, 2009, and ending June 30, 2011, the superintendent
30 shall ~~use~~;

- 1 a. Reserve the first eight million dollars, which is not subject to the provisions
2 of section 54-44.1-11 and must be used to provide per student payments
3 during the biennium beginning July 1, 2011, and ending June 30, 2013.
4 b. Reserve the next five hundred thousand dollars, which is not subject to the
5 provisions of section 54-44.1-11 and must be used in accordance with
6 section 10 of this Act.
7 c. Use the money to provide additional per student payments on a prorated
8 basis according to the latest available average daily membership of each
9 school district.

10 **SECTION 20. TRANSFER - NATIONAL BOARD CERTIFICATION FUND - GENERAL**

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

15 **SECTION 21. LEGISLATIVE INTENT - 2013-15 SCHOOL FOR THE DEAF**

16 **APPROPRIATION BILL.** It is the intent of the sixty-second legislative assembly that the school
17 for the deaf remain under the control of the superintendent of public instruction during the
18 2011-13 biennium and that the governor include the recommended funding for the school for the
19 deaf in a separate draft appropriations act for introduction to the sixty-third legislative assembly.

20 **SECTION 22. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **15.1-02-02. Salary.**

23 The annual salary of the superintendent of public instruction is ninety-fiveone hundred two
24 thousand oneeight hundred sixteensixty-eight dollars through June 30, 20102012, and
25 ninety-nineone hundred five thousand eightnine hundred seventy-twofifty-four dollars thereafter.

26 **SECTION 23. REPEAL.** Section 15.1-13-33 of the North Dakota Century Code is repealed.

27 **SECTION 24. EMERGENCY.** Sections 6, 18, and 19 of this Act and \$21,517,716
28 appropriated in the education jobs fund line item in subdivision 1 of section 1 of this Act are
29 declared to be an emergency measure.