

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 state library, the school for the deaf, and the North Dakota vision
 3 services - school for the blind; to create and enact a new section to chapter 54-24 of the of the
 4 North Dakota Century Code, relating to the state library operating fund; to amend and reenact
 5 sections 15.1-02-02, 15.1-07-33, ~~and 15.1-36-02~~24-02-03.3, and 39-01-03 of the North Dakota
 6 Century Code, relating to the salary of the superintendent of public instruction, PowerSchool,
 7 ~~and school construction loans; and to provide for a transfer~~the management and use of motor
 8 vehicles owned by the state.

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 funds
 11 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, 2015, and ending June 30,
 16 2017, as follows:

17 Subdivision 1.

18 DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
21 Salaries and wages	\$15,940,953	\$3,208,806	\$19,149,759
22 Accrued leave payments	322,068	(322,068)	0
23 Operating expenses	29,430,802	1,367,390	30,798,192
24 Integrated formula payments	1,752,100,000	147,900,000	1,900,000,000

Sixty-fourth
Legislative Assembly

1	Grants—special education contracts	16,500,000	800,000	17,300,000
2	Grants—transportation	53,500,000	6,500,000	60,000,000
3	Grants—other grants	272,546,261	(6,163,539)	266,382,722
4	PowerSchool	0	6,000,000	6,000,000
5	Rapid enrollment grants	0	14,800,000	14,800,000
6	Transportation efficiency	30,000	0	30,000
7	National board certification	120,000	0	120,000
8	Total all funds	\$2,140,490,084	\$174,090,589	\$2,314,580,673
9	Less estimated income	436,996,759	71,466,547	508,463,306
10	Total general fund	\$1,703,493,325	\$102,624,042	\$1,806,117,367
11	Full-time equivalent positions	99.75	0.00	99.75
12	<u>Salaries and wages</u>	<u>\$15,940,953</u>	<u>\$2,415,113</u>	<u>\$18,356,066</u>
13	<u>Accrued leave payments</u>	<u>322,068</u>	<u>(322,068)</u>	<u>0</u>
14	<u>Operating expenses</u>	<u>29,430,802</u>	<u>1,397,390</u>	<u>30,828,192</u>
15	<u>Integrated formula payments</u>	<u>1,752,100,000</u>	<u>278,700,000</u>	<u>2,030,800,000</u>
16	<u>Grants - special education contracts</u>	<u>16,500,000</u>	<u>800,000</u>	<u>17,300,000</u>
17	<u>Grants - transportation</u>	<u>53,500,000</u>	<u>6,500,000</u>	<u>60,000,000</u>
18	<u>Grants - other grants</u>	<u>272,996,261</u>	<u>(2,115,539)</u>	<u>270,880,722</u>
19	<u>PowerSchool</u>	<u>0</u>	<u>6,000,000</u>	<u>6,000,000</u>
20	<u>Rapid enrollment grants</u>	<u>13,600,000</u>	<u>1,200,000</u>	<u>14,800,000</u>
21	<u>Transportation efficiency</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
22	<u>National board certification</u>	<u>120,000</u>	<u>0</u>	<u>120,000</u>
23	<u>Total all funds</u>	<u>\$2,154,540,084</u>	<u>\$294,574,896</u>	<u>\$2,449,114,980</u>
24	<u>Less estimated income</u>	<u>436,996,759</u>	<u>71,684,108</u>	<u>508,680,867</u>
25	<u>Total general fund</u>	<u>\$1,717,543,325</u>	<u>\$222,890,788</u>	<u>\$1,940,434,113</u>
26	<u>Full-time equivalent positions</u>	<u>99.75</u>	<u>0.00</u>	<u>99.75</u>
27	Subdivision 2.			
28		STATE LIBRARY		
29			Adjustments or	
30		Base Level	Enhancements	Appropriation
31	Salaries and wages	\$3,780,053	\$735,603	\$4,515,656

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1	Accrued leave payments	75,354	(75,354)	0
2	Operating expenses	1,895,726	0	1,895,726
3	Grants	2,519,000	616,500	3,135,500
4	Total all funds	\$8,270,133	\$1,276,749	\$9,546,882
5	Less estimated income	2,394,145	58,030	2,452,175
6	Total general fund	\$5,875,988	\$1,218,719	\$7,094,707
7	Full-time equivalent positions	29.75	0.00	29.75
8	Salaries and wages	\$3,780,053	\$423,714	\$4,203,767
9	Accrued leave payments	75,354	(75,354)	0
10	Operating expenses	1,895,726	0	1,895,726
11	Grants	2,519,000	616,500	3,135,500
12	Total all funds	\$8,270,133	\$964,860	\$9,234,993
13	Less estimated income	2,394,145	45,116	2,439,261
14	Total general fund	\$5,875,988	\$919,744	\$6,795,732
15	Full-time equivalent positions	29.75	0.00	29.75

Subdivision 3.

SCHOOL FOR THE DEAF

		Adjustments or		
	Base Level	Enhancements	Appropriation	
20	Salaries and wages	\$6,932,905	\$1,276,275	\$8,209,180
21	Accrued leave payments	134,846	(134,846)	0
22	Operating expenses	1,908,794	139,502	2,048,296
23	Capital assets	191,762	2,325,412	2,517,174
24	Grants	200,000	0	200,000
25	Total all funds	\$9,368,307	\$3,606,343	\$12,974,650
26	Less estimated income	1,568,928	729,103	2,298,031
27	Total general fund	\$7,799,379	\$2,877,240	\$10,676,619
28	Full-time equivalent positions	44.61	1.00	45.61
29	Salaries and wages	\$6,932,905	\$821,327	\$7,754,232
30	Accrued leave payments	134,846	(134,846)	0
31	Operating expenses	1,908,794	139,502	2,048,296

Sixty-fourth
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1	Capital assets	191,762	675,412	867,174
2	Grants	200,000	0	200,000
3	Total all funds	\$9,368,307	\$1,501,395	\$10,869,702
4	Less estimated income	1,568,928	124,642	1,693,570
5	Total general fund	\$7,799,379	\$1,376,753	\$9,176,132
6	Full-time equivalent positions	44.61	1.00	45.61

7 Subdivision 4.

8 NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

9		Adjustments or		
10		Base Level	Enhancements	Appropriation
11	Salaries and wages	\$4,415,180	\$693,576	\$5,108,756
12	Accrued leave payments	87,463	(87,463)	0
13	Operating expenses	707,006	157,700	864,706
14	Capital assets	35,364	1,636,590	1,671,954
15	Total all funds	\$5,245,013	\$2,400,403	\$7,645,416
16	Less estimated income	743,427	493,396	1,236,823
17	Total general fund	\$4,501,586	\$1,907,007	\$6,408,593
18	Full-time equivalent positions	30.00	0.00	30.00
19	Salaries and wages	\$4,415,180	\$369,061	\$4,784,241
20	Accrued leave payments	87,463	(87,463)	0
21	Operating expenses	707,006	157,700	864,706
22	Capital assets	35,364	46,590	81,954
23	Total all funds	\$5,245,013	\$485,888	\$5,730,901
24	Less estimated income	743,427	(111,584)	631,843
25	Total general fund	\$4,501,586	\$597,472	\$5,099,058
26	Full-time equivalent positions	30.00	0.00	30.00

27 Subdivision 5.

28 BILL TOTAL

29		Adjustments or		
30		Base Level	Enhancements	Appropriation
31	Grand total general fund	\$1,721,670,278	\$108,627,008	\$1,830,297,286

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1	Grand total special funds	441,703,259	72,747,076	514,450,335
2	Grand total all funds	\$2,163,373,537	\$181,374,084	\$2,344,747,621
3	<u>Grand total general fund</u>	<u>\$1,735,720,278</u>	<u>\$225,784,757</u>	<u>\$1,961,505,035</u>
4	<u>Grand total special funds</u>	<u>441,703,259</u>	<u>71,742,282</u>	<u>513,445,541</u>
5	<u>Grand total all funds</u>	<u>\$2,177,423,537</u>	<u>\$297,527,039</u>	<u>\$2,474,950,576</u>

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

SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

10	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
11	Department of public instruction		
12	Funding pool for initiatives	\$2,750,000	\$0
13	Information technology staffing analysis	100,000	0
14	Early childhood care and education study	200,000	0
15	Governing North Dakota textbook	20,000	0
16	Safety grants	3,000,000	0
17	CPR training grant	450,000	0
18	Museum of art vehicle	0	20,000
19	Rapid enrollment grants	13,600,000	14,800,000
20	Total department of public instruction - general fund	\$20,120,000	\$14,820,000
21	<u>Free or reduced meals information technology</u>	<u>0</u>	<u>30,000</u>
22	<u>Rapid enrollment grants</u>	<u>0</u>	<u>14,800,000</u>
23	<u>Total department of public instruction - general fund</u>	<u>\$6,070,000</u>	<u>\$14,830,000</u>
24	State library		
25	Library repair grants	\$0	\$250,000
26	Total state library- general fund	\$0	\$250,000
27	School for the deaf		
28	Extraordinary repairs	\$1,002,259	\$1,650,000
29	Total school for the deaf - all funds	\$1,002,259	\$1,650,000
30	Total school for the deaf - estimated income	1,002,259	600,000
31	Total school for the deaf - general fund	\$0	\$1,050,000

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1	<u>School for the deaf</u>		
2	<u>Extraordinary repairs</u>	<u>\$1,002,259</u>	<u>\$600,000</u>
3	<u>Total school for the deaf - estimated income</u>	<u>\$1,002,259</u>	<u>\$600,000</u>
4	North Dakota vision services - school for the blind		
5	Equipment	\$20,200	\$21,000
6	Elevator installation	241,500	0
7	Window replacements	189,000	0
8	Extraordinary repairs	90,136	0
9	Remodel of west wing	2,762,000	0
10	Special assessments payoff	0	19,000
11	Building renovations	0	1,590,000
12	Total school for the blind - all funds	\$3,302,836	\$1,630,000
13	Total school for the blind - estimated income	110,329	630,000
14	Total school for the blind - general fund	\$3,192,507	\$1,000,000
15	Grand total - all funds	\$24,425,095	\$18,350,000
16	Grand total - estimated income	1,112,588	1,230,000
17	Grand total - general fund	\$23,312,507	\$17,120,000
18	<u>Server and access points</u>	<u>0</u>	<u>16,000</u>
19	<u>Total school for the blind - all funds</u>	<u>\$3,302,836</u>	<u>\$56,000</u>
20	<u>Total school for the blind - estimated income</u>	<u>110,329</u>	<u>56,000</u>
21	<u>Total school for the blind - general fund</u>	<u>\$3,192,507</u>	<u>\$0</u>
22	<u>Grand total - all funds</u>	<u>\$10,375,095</u>	<u>\$15,736,000</u>
23	<u>Grand total - estimated income</u>	<u>1,112,588</u>	<u>656,000</u>
24	<u>Grand total - general fund</u>	<u>\$9,262,507</u>	<u>\$15,080,000</u>

25 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the
 26 2017-19 biennium. The department of public instruction, state library, school for the deaf, and
 27 North Dakota vision services - school for the blind shall report to the appropriations committees
 28 of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium
 29 beginning July 1, 2015, and ending June 30, 2017.

30 ~~**SECTION 3. TRANSFER.** There is transferred from any moneys in the strategic investment
 31 and improvements fund in the state treasury, not otherwise appropriated, the sum of~~

~~\$300,000,000, or so much of the sum as may be necessary, to the school construction fund for the purpose of providing school construction loans, as referenced in paragraph 3 of subdivision a of subsection 1 of section 15.1-36-02, for the biennium beginning July 1, 2015, and ending June 30, 2017.~~

SECTION 3. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$219,134,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any additional amount in the state tuition fund that becomes available for distribution to public schools is appropriated to the department of public instruction for that purpose for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the integrated formula payments and grants - special education contracts line items in subdivision 1 of section 1 of this Act in payment of grants for educational services that were due in the 2013-15 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2015.

SECTION 5. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING - DISTRIBUTION.

1. The sum of \$800,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.
2. State school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of human services on behalf of the school district or unit.

1 **SECTION 6. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2015-17
2 biennium, the superintendent of public instruction shall expend up to \$800,000 from the
3 integrated formula payments line item in subdivision 1 of section 1 of this Act for the purpose of
4 providing an annual grant to each eligible regional education association in order to assist each
5 association with the cost of compensating a coordinator.

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

8 a. Enter a contract with an individual to serve as a coordinator, on a full-time or a
9 part-time basis, for a duration of at least twelve months; and

10 b. Provide from other revenue sources at least thirty percent of the total
11 compensation payable to the coordinator.

12 2. The maximum grant payable to a regional education association under this section
13 during each year of the biennium is the lesser of \$50,000 or seventy percent of the
14 total compensation payable to the coordinator.

15 **SECTION 7. TRANSPORTATION GRANTS - DISTRIBUTION.**

16 1. During each year of the 2015-17 biennium, the superintendent of public instruction
17 shall calculate the payment to which each school district is entitled based on the state
18 transportation formula as it existed on June 30, 2001, except that the superintendent
19 shall provide reimbursement at the rate of:

20 a. One dollar and twenty-seven cents per mile for school buses having a capacity of
21 ten or more passengers;

22 b. Sixty cents per mile for vehicles having a capacity of nine or fewer passengers;

23 c. Sixty cents per mile, provided:

24 (1) The student being transported is a student with a disability, as defined in
25 chapter 15.1-32;

26 (2) The student's individualized education program plan requires that the
27 student attend a public or a nonpublic school located outside the student's
28 school district of residence;

29 (3) The student is transported by an adult member of the student's family;

30 (4) The student is transported in a vehicle furnished by the student's parents;

31 (5) The student's transportation is paid for by the student's parents; and

- 1 (6) The reimbursement does not exceed two round trips daily between the
2 student's home and school.
- 3 d. Sixty cents per mile, one way, provided:
- 4 (1) The student being transported resides more than two miles from the public
5 school that the student attends;
- 6 (2) The student is transported by an adult member of the student's family;
- 7 (3) The student is transported in a vehicle furnished by the student's parents;
- 8 and
- 9 (4) The student's transportation is paid for by the student's parents.
- 10 e. Thirty-two cents per student for each one-way trip.
- 11 f. The superintendent of public instruction shall use the latest available student
12 enrollment count in each school district in applying the provisions of subsection 1.
- 13 g. If any moneys provided for transportation payments in the grants - transportation
14 line item in subdivision 1 of section 1 of this Act, remain after application of the
15 formula provided for in this section, the superintendent of public instruction shall
16 prorate the remaining amounts according to the percentage of the total
17 transportation formula amount to which each school district is entitled.
- 18 h. This section does not authorize the reimbursement of any costs incurred in
19 providing transportation for student attendance at extracurricular activities or
20 events.

21 **SECTION 8. RAPID ENROLLMENT GRANTS - DISTRIBUTION.** The sum of \$14,800,000,
22 or so much of the sum as may be necessary, included in the rapid enrollment grants line item in
23 subdivision 1 of section 1 of this Act is provided for grants to any school district that can
24 demonstrate qualifying rapid enrollment growth, for the biennium beginning July 1, 2015, and
25 ending June 30, 2017. The superintendent of public instruction shall award grants to eligible
26 districts meeting the following criteria:

- 27 1. A district is eligible to receive a grant under this section if the number of students
28 reflected in the district's September tenth enrollment report exceeds the number of
29 students in the prior year September tenth enrollment report as follows:
- 30 a. For Tier 1 funding, the increase must be at least four percent or one hundred fifty
31 students and must be at least twenty students; or

- 1 b. For Tier 2 funding, the increase must be at least two percent or seventy-five
2 students and must be at least ten students.
- 3 2. The superintendent of public instruction shall calculate the amount to which an eligible
4 district is entitled as follows:
 - 5 a. Determine the actual percentage increase in the number of students and subtract
6 two from the percentage calculated;
 - 7 b. Determine the number of students represented by the difference determined in
8 subdivision a of this section;
 - 9 c. Multiply the number of students determined in subdivision b of this section by:
10 (1) \$4,000 for Tier 1 funding; or
11 (2) \$2,000 for Tier 2 funding.
- 12 3. If the amount of the appropriation provided for in this Act is insufficient to meet the
13 obligations of this section, the superintendent of public instruction shall prorate the
14 payment based on the percentage of the total amount to which each school district is
15 entitled.
- 16 4. The superintendent of public instruction may not expend more than \$7,400,000 in
17 grants under this section during the first year of the biennium.
- 18 5. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not
19 eligible to receive a grant under this section.

20 **SECTION 9. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION.** The
21 sum of \$150,000, or so much of the sum as may be necessary, included in the grants - other
22 grants line item in subdivision 1 of section 1 of this Act is provided for continuing education
23 grants, for the biennium beginning July 1, 2015, and ending June 30, 2017.

- 24 1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to
25 eligible recipients in chronological order, based on the date of an individual's
26 application. An eligible recipient must:
 - 27 a. (1) Be licensed to teach by the education standards and practices board;
 - 28 (2) Have taught in this state during each of the last three school years; and
 - 29 (3) Be enrolled at an institution of higher education in this state in either a
30 master of education program in educational leadership or a program leading
31 to a specialist diploma in educational leadership;

- 1 b. Be pursuing the requirements for a certificate in career development facilitation;
2 or
3 c. Be pursuing a school counselor credential.
- 4 2. If any of the amount appropriated for this purpose remains after the superintendent of
5 public instruction has awarded grants to all eligible recipients, the superintendent shall
6 distribute that amount as an additional per student payment on a prorated basis,
7 according to the latest available average daily membership of each school district.

8 **SECTION 10. CARDIOPULMONARY RESUSCITATION TRAINING GRANTS - FUNDING**
9 **- DISTRIBUTION.** During the 2015-17 biennium, the superintendent of public instruction shall
10 expend up to \$450,000 from the grants - other grants line item in subdivision 1 of section 1 of
11 this Act for the purpose of providing cardiopulmonary resuscitation training grants as provided in
12 chapter 58 of the 2013 Session Laws except that grants may be provided for training made
13 available to students at both the high school and middle school levels.

14 **SECTION 11. 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 12. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
17 subdivision 2 of section 1 of this Act includes \$2,133,000 for aid to public libraries, of which no
18 more than one-half is to be expended during the fiscal year ending June 30, 2016.

19 **SECTION 13. OTHER GRANTS - REPORTING.** The superintendent of public instruction
20 shall continue reporting on the cost per participant and the outcomes of other grants and report
21 to the sixty-fifth legislative assembly regarding participation, cost, and outcomes of these
22 grants.

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

28 **SECTION 15. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT**
29 **PROGRAM.** The grants line item contained in subdivision 3 of section 1 of this Act is for the
30 purpose of providing grants to assist institutions under the control of the state board of higher
31 education with the cost of interpreters and real-time captioning for students who are deaf or

1 hard of hearing, for the biennium beginning July 1, 2015, and ending June 30, 2017. Moneys
2 appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed
3 pursuant to the provisions of this section:

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

19 ~~SECTION 16. STATE SCHOOL AID PROGRAM. The sum of \$1,900,000,000 included in~~
20 ~~the integrated formula payments line item in subdivision 1 of section 1 of this act was calculated~~
21 ~~with the following assumptions:~~

- 22 ~~1. \$3,000,000, an increase of \$700,000, was included in the grants—other grants line~~
23 ~~item to enhance the teacher and principal mentoring program. The recommendation~~
24 ~~does not include an increase in the number of professional development days.~~
- 25 ~~2. Per student payment rates were increased to \$9,482 for the 2015-16 academic year~~
26 ~~and \$9,767 for the 2016-17 academic year.~~
- 27 ~~3. \$6,147,244 was included to increase the factor for at risk students in grades~~
28 ~~kindergarten through third grade to .05 from the current factor of .025.~~
- 29 ~~4. The factor for PowerSchool was eliminated and funding moved to a special line item~~
30 ~~appropriation.~~

1 ~~5. \$895,502 was included to increase the factors for level 1 and level 2 English language~~
2 ~~learners to .40 and .27, respectively.~~

3 ~~6. \$420,386 was included to increase the factor for regional education associations~~
4 ~~to .0022.~~

5 ~~7. The cross border student factor was eliminated for a savings of \$201,382.~~

6 ~~8. The migrant student factor was lowered to .60 for a savings of \$256,769.~~

7 **SECTION 16. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **15.1-02-02. Salary.**

10 The annual salary of the superintendent of public instruction is one hundred ten thousand
11 one hundred ninety two dollars through June 30, 2014, and one hundred thirteen thousand four
12 hundred ninety eight ~~one hundred eighteen thousand thirty eight dollars through June 30, 2016~~
13 ~~and one hundred twenty two thousand seven hundred fifty nine~~ one hundred sixteen thousand
14 nine hundred three dollars through June 30, 2016, and one hundred twenty thousand four
15 hundred ten dollars thereafter.

16 **SECTION 17. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **15.1-07-33. Student information system - ~~Statewide coordination -- Financial support --~~**
19 **Exemption.**

- 20 1. Notwithstanding any other technology requirements imposed by the superintendent of
21 public instruction, the information technology department, or the North Dakota
22 educational technology council, each school district shall acquire PowerSchool
23 through the information technology department and use it as its principal student
24 information system.
- 25 2. ~~The superintendent of public instruction shall forward that portion of a school district's~~
26 ~~state aid which is payable by the superintendent under subdivision n of subsection 1 of~~
27 ~~section 15.1-27-03.1 directly to the information technology department to reimburse~~
28 ~~the department for the cost of the school district's acquisition, implementation, or~~
29 ~~utilization of PowerSchool and any related technology support services. The~~
30 ~~superintendent shall forward the amount payable under this subsection at the same~~

1 time and in the same manner as provided for other state aid payments under section
2 15.1-27-01.

3 3. If the portion of a school district's state aid forwarded to the information technology
4 department under subsection 2 exceeds the cost incurred by the information
5 technology department in providing for the school district's acquisition,
6 implementation, or utilization of PowerSchool and any related technology support
7 services, the information technology department shall return the excess moneys to the
8 superintendent of public instruction for redistribution to the school district as per
9 student payments.

10 4. The superintendent of public instruction may exempt a school district from having to
11 acquire and utilize PowerSchool if the school district demonstrates that, in accordance
12 with requirements of the bureau of Indian education, the district has acquired and is
13 utilizing a student information system that is determined to be comparable by the
14 superintendent.

15 ~~SECTION 19. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is~~
16 ~~amended and reenacted as follows:~~

17 ~~15.1-36-02. (Effective through June 30, 2015) School construction projects --~~
18 ~~Loansloans -- Revolving fund.~~

19 ~~1. a. In order to provide school construction loans, the board of university and school~~
20 ~~lands mayshall authorize the use of moneys in the school construction loan fund,~~
21 ~~which is a revolving loan fund. The fund consists of:~~

22 ~~a. (1) Fifty million dollars, or so much of that amount as may be necessary,which~~
23 ~~had been made available for school construction loans beginning in 1979~~
24 ~~and is transferred from the coal development trust fund, established~~
25 ~~pursuant to section 21 of article X of the Constitution of North Dakota and~~
26 ~~subsection 1 of section 57-62-02; and~~

27 ~~b. (2) One hundred fifty million dollars, which had been made available for school~~
28 ~~construction loans beginning on July 1, 2013, and is transferred from the~~
29 ~~strategic investment and improvements fund, established pursuant to~~
30 ~~section 15-08.1-08;~~

- 1 ~~_____ (3) Three hundred million dollars, or so much of the amount as is necessary,~~
2 ~~_____ transferred in accordance with section 3 of this Act, from the strategic~~
3 ~~_____ investment and improvements fund, established pursuant to section~~
4 ~~_____ 15-08.1-08; and~~
- 5 ~~_____ (4) Any other amounts transferred by the legislative assembly.~~
- 6 ~~_____ b. Notwithstanding any other provisions of law, the dollars provided for in~~
7 ~~_____ paragraph 3 of subdivision a may be made available only to those school districts~~
8 ~~_____ that meet the requirements of this section and demonstrate an increase in their~~
9 ~~_____ average daily membership during each of the preceding three school years.~~
- 10 ~~_____ 2. In order to be eligible for a loan under this section, the board of a school district shall:~~
- 11 ~~_____ a. Propose a construction project with a cost of at least one million dollars and an~~
12 ~~_____ expected utilization of at least thirty years;~~
- 13 ~~_____ b. Obtain the approval of the superintendent of public instruction for the construction~~
14 ~~_____ project under section 15.1-36-01; and~~
- 15 ~~_____ c. Submit to the superintendent of public instruction an application containing all~~
16 ~~_____ information deemed necessary by the superintendent, including potential~~
17 ~~_____ alternative sources or methods of financing the construction project.~~
- 18 ~~_____ 3. If an eligible school district's taxable valuation per student is less than eighty percent~~
19 ~~_____ of the state average taxable valuation per student, the district is entitled to receive:~~
- 20 ~~_____ a. A school construction loan equal to the lesser of twenty million dollars or ninety~~
21 ~~_____ percent of the actual project cost;~~
- 22 ~~_____ b. An interest rate discount equal to at least one hundred but not more than four~~
23 ~~_____ hundred basis points below the prevailing tax-free bond rates; and~~
- 24 ~~_____ c. A term of repayment that may extend up to twenty years.~~
- 25 ~~_____ 4. If an eligible school district's taxable valuation per student is equal to at least eighty~~
26 ~~_____ percent but less than ninety percent of the state average taxable valuation per~~
27 ~~_____ student, the district is entitled to receive:~~
- 28 ~~_____ a. A school construction loan equal to the lesser of fifteen million dollars or eighty~~
29 ~~_____ percent of the actual project cost;~~
- 30 ~~_____ b. An interest rate buydown equal to at least one hundred but not more than three~~
31 ~~_____ hundred fifty basis points below the prevailing tax-free bond rates; and~~

- 1 ~~_____ c. A term of repayment that may extend up to twenty years.~~
- 2 ~~_____ 5. If an eligible school district's taxable valuation per student is equal to at least ninety-~~
- 3 ~~percent of the state average taxable valuation per student, the district is entitled to~~
- 4 ~~receive:~~
- 5 ~~_____ a. A school construction loan equal to the lesser of ten million dollars or seventy-~~
- 6 ~~percent of the actual project cost;~~
- 7 ~~_____ b. An interest rate discount equal to at least one hundred but not more than three-~~
- 8 ~~hundred basis points below the prevailing tax-free bond rates; and~~
- 9 ~~_____ c. A term of repayment that may extend up to twenty years.~~
- 10 ~~_____ 6. The board of a school district may submit its loan application to the superintendent of~~
- 11 ~~public instruction before or after receiving authorization of a bond issue in accordance~~
- 12 ~~with chapter 21-03. If the vote to authorize a bond issue precedes the application for a~~
- 13 ~~loan, the application must be acted upon by the superintendent expeditiously but no-~~
- 14 ~~later than one hundred eighty days from the date it is received by the superintendent.~~
- 15 ~~_____ 7. The superintendent of public instruction shall consider each loan application in the~~
- 16 ~~order it received approval under section 15.1-36-01.~~
- 17 ~~_____ 8. If the superintendent of public instruction approves the loan, the superintendent may~~
- 18 ~~determine the loan amount, the term of the loan, and the interest rate, in accordance~~
- 19 ~~with the requirements of this section. A school district's interest rate may not be less~~
- 20 ~~than one percent, regardless of any rate discount for which the district might otherwise~~
- 21 ~~qualify under this section.~~
- 22 ~~_____ 9. a. If a school district seeking a loan under this section received an allocation of the~~
- 23 ~~oil and gas gross production tax during the previous fiscal year in accordance~~
- 24 ~~with chapter 57-51, the board of the district shall provide to the board of~~
- 25 ~~university and school lands, and to the state treasurer, its evidence of~~
- 26 ~~indebtedness indicating that the loan originated under this section.~~
- 27 ~~_____ b. If the evidence of indebtedness is payable solely from the school district's~~
- 28 ~~allocation of the oil and gas gross production tax in accordance with section~~
- 29 ~~57-51-15, the loan does not constitute a general obligation of the school district~~
- 30 ~~and may not be considered a debt of the district.~~

1 ~~_____ c. If a loan made to a school district is payable solely from the district's allocation of~~
2 ~~the oil and gas gross production tax in accordance with section 57-51-15, the~~
3 ~~terms of the loan must require that the state treasurer withhold the dollar amount~~
4 ~~or percentage specified in the loan agreement, from each of the district's oil and~~
5 ~~gas gross production tax allocations, in order to repay the principal and interest of~~
6 ~~the evidence of indebtedness. The state treasurer shall deposit the amount~~
7 ~~withheld into the fund from which the loan originated.~~

8 ~~_____ d. Any evidence of indebtedness executed by the board of a school district under~~
9 ~~this subsection is a negotiable instrument and not subject to taxation by the state~~
10 ~~or any political subdivision of the state.~~

11 ~~_____ 10. For purposes of this section, a "construction project" means the purchase, lease,~~
12 ~~erection, or improvement of any structure or facility by a school board, provided the~~
13 ~~acquisition or activity is within a school board's authority.~~

14 ~~_____ **(Effective after June 30, 2015) School construction projects -- Loans.**~~

15 ~~_____ 1. The board of university and school lands may authorize the use of moneys in the coal~~
16 ~~development trust fund established pursuant to section 21 of article X of the~~
17 ~~Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school~~
18 ~~construction loans, as described in this chapter. The outstanding principal balance of~~
19 ~~loans under this chapter may not exceed fifty million dollars. The board may adopt~~
20 ~~policies and rules governing school construction loans.~~

21 ~~_____ 2. In order to be eligible for a loan under this section, the board of a school district shall:~~

22 ~~_____ a. Propose a construction project with a cost of at least one million dollars and an~~
23 ~~expected utilization of at least thirty years;~~

24 ~~_____ b. Obtain the approval of the superintendent of public instruction for the construction~~
25 ~~project under section 15.1-36-01; and~~

26 ~~_____ c. Submit to the superintendent of public instruction an application containing all~~
27 ~~information deemed necessary by the superintendent, including potential~~
28 ~~alternative sources or methods of financing the construction project.~~

29 ~~_____ 3. The superintendent of public instruction shall give priority to any district that meets the~~
30 ~~requirements for receipt of an equity payment under section 15.1-27-11.~~

- 1 ~~4. If an eligible school district's imputed taxable valuation per student is less than eighty-~~
2 ~~percent of the state average imputed valuation per student, the district is entitled to~~
3 ~~receive:~~
- 4 ~~a. A school construction loan equal to the lesser of twelve million dollars or eighty-~~
5 ~~percent of the actual project cost;~~
- 6 ~~b. An interest rate discount equal to at least one hundred but not more than two-~~
7 ~~hundred fifty basis points below the prevailing tax-free bond rates; and~~
- 8 ~~c. A term of repayment that may extend up to twenty years.~~
- 9 ~~5. If an eligible school district's imputed taxable valuation per student is equal to at least~~
10 ~~eighty percent but less than ninety percent of the state average imputed taxable-~~
11 ~~valuation per student, the district is entitled to receive:~~
- 12 ~~a. A school construction loan equal to the lesser of ten million dollars or seventy-~~
13 ~~percent of the actual project cost;~~
- 14 ~~b. An interest rate buydown equal to at least one hundred but not more than two-~~
15 ~~hundred fifty basis points below the prevailing tax-free bond rates; and~~
- 16 ~~c. A term of repayment that may extend up to twenty years.~~
- 17 ~~6. If an eligible school district's imputed taxable valuation per student is equal to at least~~
18 ~~ninety percent of the state average imputed taxable valuation per student, the district~~
19 ~~is entitled to receive:~~
- 20 ~~a. A school construction loan equal to the lesser of four million dollars or thirty-~~
21 ~~percent of the actual project cost;~~
- 22 ~~b. An interest rate discount equal to at least one hundred but not more than two-~~
23 ~~hundred fifty basis points below the prevailing tax-free bond rates; and~~
- 24 ~~c. A term of repayment that may extend up to twenty years.~~
- 25 ~~7. The board of a school district may submit its loan application to the superintendent of~~
26 ~~public instruction before or after receiving authorization of a bond issue in accordance~~
27 ~~with chapter 21-03. If the vote to authorize a bond issue precedes the application for a~~
28 ~~loan, the application must be acted upon by the superintendent expeditiously but no-~~
29 ~~later than one hundred eighty days from the date it is received by the superintendent.~~
- 30 ~~8. The superintendent of public instruction shall consider each loan application in the~~
31 ~~order it received approval under section 15.1-36-01.~~

1 ~~9. If the superintendent of public instruction approves the loan, the superintendent may~~
2 ~~determine the loan amount, the term of the loan, and the interest rate, in accordance~~
3 ~~with the requirements of this section.~~

4 ~~10. The superintendent of public instruction may adopt rules governing school~~
5 ~~construction loans.~~

6 ~~11. For purposes of this section, a construction project means the purchase, lease,~~
7 ~~erection, or improvement of any structure or facility by a school board, provided the~~
8 ~~acquisition or activity is within a school board's authority.~~

9 **SECTION 18. AMENDMENT.** Section 24-02-03.3 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **24-02-03.3. Central management system for all state-owned licensed motor vehicles.**

- 12 1. The director shall establish within the department a central vehicle management
13 system to regulate the operation, maintenance, and management of all motor vehicles
14 owned or leased by the state subject to registration under chapters 39-04 and 39-05.
15 Upon the request of a state agency and an agreement between the agency and
16 director for the use of the motor vehicle-related equipment, the director may purchase
17 or lease motor vehicle-related equipment and include that equipment within the
18 system. The director shall provide a uniform method of documenting the use and cost
19 of operation of motor vehicles and motor vehicle-related equipment in the system. The
20 director shall advise the director of the office of management and budget as to the
21 need to acquire or dispose of system motor vehicles. The specifications for highway
22 patrol vehicles to be acquired may be set by the highway patrol superintendent. Every
23 state agency, institution, department, board, bureau, and commission unless
24 exempted by the director must use the system. At the request of the director of the
25 North Dakota agricultural experiment station, certain vehicles used in farming
26 operations at the agronomy seed farm and branch research centers shall be exempt
27 from the requirements of this section. However, an agency, institution, department,
28 board, bureau, or commission may authorize the use of an employee's personal motor
29 vehicle pursuant to subsection 4 of section 54-06-09.
- 30 2. The director may enter into an agreement with a state employee who has a disability
31 requiring a specially-equipped vehicle to pay a mileage rate greater than the rate

1 established in section 54-06-09 for the employee's use of the employee's
2 specially-equipped motor vehicle while conducting state business. The rate must be
3 based on the rate provided in section 54-06-09, increased by the actual cost per mile
4 caused by the special equipment, and may not exceed the cost associated with the
5 special equipment expressed as the new value plus the depreciated fair market value
6 in eight years divided by two, divided by twenty thousand miles.

7 3. Each entity required to use the system shall submit records of the operation of each
8 vehicle as directed by the director.

9 4. The director may enter an agreement for the use of the motor vehicle-related
10 equipment with the North Dakota art museum established in section 54-02-11.

11 **SECTION 19. AMENDMENT.** Section 39-01-03 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **39-01-03. Motor vehicle owned by the state, North Dakota art museum, or an**
14 **international peace garden not to be used for private use or in political activities.**

15 ~~No person~~A person, officer, or employee of the state or of any department, board, bureau,
16 commission, institution, industry, or other agency of the state, or person, officer, or employee of
17 the North Dakota art museum, or of any entity located upon the international boundary line
18 between the United States of America and Canada used and maintained as a memorial to
19 commemorate the long-existing relationship of peace and good will between the people and the
20 governments of the United States of America and Canada and to further international peace
21 among the nations of the world, may not use or drive any motor vehicle belonging to the state or
22 to any department, board, bureau, commission, institution, industry, or other agency of the state,
23 or person, officer, or employee of the North Dakota art museum, or of any entity located upon
24 the international boundary line between the United States of America and Canada used and
25 maintained as a memorial to commemorate the long-existing relationship of peace and good will
26 between the people and the governments of the United States of America and Canada and to
27 further international peace among the nations of the world, for private use, or while engaged in
28 any political activity.

29 **SECTION 20.** A new section to chapter 54-24 of the North Dakota Century Code is created
30 and enacted as follows:

1 **State library operating fund.**

2 The state library's operating fund is a special fund in the state treasury. All moneys received for
3 book replacement, cataloging services, and other miscellaneous library services must be
4 deposited in this fund. Moneys in the fund are to be used pursuant to legislative appropriation.
5 for provision of services under this chapter.