

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1013

Page 1, line 4, remove "15.1-06-19,"

Page 1, line 5, remove "school counselors,"

Page 1, line 7, remove "and"

Page 1, line 7, after "date" insert "; and to declare an emergency"

Page 1, remove lines 20 through 24

Page 2, replace lines 1 through 9 with:

"Salaries and wages	\$18,027,035	(\$172,288)	\$17,854,747
Operating expenses	33,770,947	30,053,890	63,824,837
Integrated formula payments	2,098,202,429	39,147,571	2,137,350,000
Grants - special education	24,000,000	3,000,000	27,000,000
Grants - transportation	56,500,000	1,600,000	58,100,000
Grants - other grants	287,062,705	300,416,379	587,479,084
Grants - program grants	7,680,000	(7,680,000)	0
Grants - passthrough grants	2,863,764	(2,863,764)	0
Grants - program and passthrough	0	23,887,064	23,887,064
PowerSchool	5,500,000	(250,000)	5,250,000
National board certification	108,000	68,290	176,290
Total all funds	\$2,533,714,880	\$387,207,142	\$2,920,922,022
Less estimated income	812,553,743	445,291,906	1,257,845,649
Total general fund	\$1,721,161,137	(\$58,084,764)	\$1,663,076,373"

Page 2, replace lines 15 through 20 with:

"Salaries and wages	\$4,300,335	(\$160,428)	\$4,139,907
Operating expenses	1,621,917	200,786	1,822,703
Grants	2,233,528	0	2,233,528
Total all funds	\$8,155,780	\$40,358	\$8,196,138
Less estimated income	2,374,361	(9,944)	2,364,417
Total general fund	\$5,781,419	\$50,302	\$5,831,721"

Page 2, remove lines 26 through 31

Page 3, replace line 1 with:

"Salaries and wages	\$8,054,944	\$277,876	\$8,332,820
Operating expenses	1,705,586	21,500	1,727,086
Capital assets	158,678	697,500	856,178
Grants	40,000	(40,000)	0
Total all funds	\$9,959,208	\$956,876	\$10,916,084
Less estimated income	2,430,358	1,079,170	3,509,528
Total general fund	\$7,528,850	(\$122,294)	\$7,406,556"

Page 3, replace lines 7 through 12 with:

"Salaries and wages	\$4,935,291	\$56,903	\$4,992,194
Operating expenses	795,821	29,850	825,671
Capital assets	<u>39,192</u>	<u>284,000</u>	<u>323,192</u>
Total all funds	\$5,770,304	\$370,753	\$6,141,057
Less estimated income	<u>1,052,315</u>	<u>326,863</u>	<u>1,379,178</u>
Total general fund	\$4,717,989	\$43,890	\$4,761,879"

Page 3, replace lines 18 through 20 with:

"Grand total general fund	\$1,739,189,395	(\$58,112,866)	\$1,681,076,529
Grand total special funds	<u>818,410,777</u>	<u>446,687,995</u>	<u>1,265,098,772</u>
Grand total all funds	\$2,557,600,172	\$388,575,129	\$2,946,175,301"

Page 3, after line 27, insert:

"Federal COVID-19 relief funds		0	305,266,879
State automated reporting system maintenance		0	200,000"

Page 4, replace lines 1 through 6 with:

"Total department of public instruction - all funds		\$5,200,000	\$318,966,879
Total department of public instruction - estimated income		<u>5,000,000</u>	<u>318,766,879</u>
Total department of public instruction - general fund"		\$200,000	\$200,000

Page 4, after line 9, insert:

"Operating expenses		0	21,500"
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Page 4, replace line 12 with:

"Total school for the deaf - estimated income		\$270,000	\$719,000"
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Page 4, replace lines 28 through 30 with:

"Grand total - all funds		\$5,750,500	\$320,002,879
Grand total - estimated income		<u>5,550,500</u>	<u>319,802,879</u>
Grand total - general fund		\$200,000	\$200,000"

Page 5, line 14, replace "\$110,000,000" with "\$144,300,000"

Page 5, line 23, remove "- **MEDICAID MATCHING FUNDING** -"

Page 5, line 24, remove "**DISTRIBUTION**"

Page 5, line 25, remove "1."

Page 6, replace lines 1 through 6 with:

"SECTION 7. MEDICAID MATCHING FUNDING - SCHOOL APPROVAL - WITHHOLDING AND DISTRIBUTION.

1. 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 for the

biennium beginning July 1, 2021, and ending June 30, 2023. 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.

2. State school aid payments for integrated formula payments must be reduced by the amount of funds required to be paid by school districts for school approval for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 7, replace lines 26 through 28 with:

"SECTION 11. POSTSECONDARY TRANSITIONAL GRANT PROGRAM FUNDING. The integrated formula payments line item in subdivision 1 of section 1 of this Act includes funding for postsecondary transitional grants. The superintendent of public instruction shall provide integrated formula payments to postsecondary transitional programs for eligible students enrolled in a postsecondary transitional program within the state at the rate provided under section 15.1-27-04.1. For purposes of this section, "eligible student" means a student with a documented intellectual or developmental disability who is at least eighteen years of age but has not reached the age of twenty-two, who has graduated from a public high school in the state or obtained an equivalent degree, and who enrolls in a postsecondary transitional program. By June thirtieth of each year, postsecondary transitional programs shall submit to the superintendent of public instruction for the reimbursement of eligible students enrolled in the program. Grant payments under this section may not exceed the per student rate under section 15.1-27-04.1. The superintendent of public instruction shall review and approve postsecondary transitional programs and develop a system for the distribution of payments necessary to implement this section.

SECTION 12. USE OF NEW MONEY - NON-ADMINISTRATIVE PERSONNEL COMPENSATION INCREASES - REPORT TO LEGISLATIVE MANAGEMENT.

1. During the 2021-23 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for integrated formula payments to increase the compensation paid to non-administrative personnel.
2. For purposes of this section, the superintendent of public instruction shall provide guidance to school districts regarding the calculation of the amount of new money available during the 2021-23 biennium.

SECTION 13. KINDERGARTEN THROUGH GRADE TWELVE EDUCATION COORDINATION COUNCIL FUNDING - RESTRICTION. Funding totaling \$260,000 from the general fund, appropriated in subdivision 1 of section 1 of this Act, is provided for defraying the expenses of the kindergarten through grade twelve education coordination council, for the biennium beginning July 1, 2021, and ending June 30, 2023. These funds may not be used for any other purpose."

Page 7, line 30, after the comma insert "the department of public instruction may deposit indirect cost recoveries in its operating account. In addition,"

Page 8, line 1, remove the comma

Page 8, line 2, replace "and may be spent" with ". Any funds deposited in the public instruction fund may only be spent"

Page 8, line 7, replace "\$23,733,064" with "\$23,887,064"

Page 8, after line 16, insert:

**"SECTION 17. EXEMPTION - STATE AUTOMATED REPORTING SYSTEM
REWRITE.** Up to \$600,000 of the unexpended amount remaining from the one-time appropriation from the foundation aid stabilization fund for the state automated reporting system rewrite, as authorized in subdivision 1 of section 1 of chapter 38 of the 2019 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2019-21 biennium, and may be continued into the 2021-23 biennium for the purpose of continuing the state automated reporting system rewrite."

Page 9, line 16, replace "twenty-nine" with "thirty"

Page 9, line 16, replace "six" with "three"

Page 9, line 16, replace "eighty-five" with "twenty-three"

Page 10, remove lines 13 through 31

Page 11, remove lines 1 through 7

Page 11, line 11, after "**districts**" insert "**and special education units**"

Page 11, line 27, after "chapter" insert "or any special education unit"

Page 11, line 28, after "district" insert "or special education unit"

Page 11, line 28, after "manager" insert "or to jointly employ both a special education unit director and a business manager"

Page 11, line 30, after "manager" insert "or partial reimbursement of the combined salaries of the special education unit director and the business manager"

Page 12, line 3, after "district" insert "or special education unit"

Page 12, line 5, after "manager" insert "or the special education unit director and business manager"

Page 12, line 6, after "district" insert "or special education unit"

Page 12, line 7, after "manager" insert "or of the jointly hired special education unit director and business manager"

Page 12, line 8, after "schools" insert "or special education units"

Page 12, line 9, after "schools" insert "or special education units"

Page 12, line 10, after "schools" insert "or special education units"

Page 12, line 12, after "schools" insert "or special education units"

Page 12, line 15, after "districts" insert "or special education units"

Page 12, line 19, after "manager" insert "or the salaries of the special education unit director and business manager"

Page 13, line 12, replace "19" with "22"

"SECTION 26. EMERGENCY. Federal funding provided through the American Rescue Plan Act of 2021, totaling \$305,266,879 appropriated in subdivision 1 of section 1 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1013 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Department of Public Instruction				
Total all funds	\$2,533,714,880	\$2,574,705,359	\$346,216,663	\$2,920,922,022
Less estimated income	812,553,743	918,215,157	339,630,492	1,257,845,649
General fund	<u>\$1,721,161,137</u>	<u>\$1,656,490,202</u>	\$6,586,171	<u>\$1,663,076,373</u>
FTE	89.25	86.25	0.00	86.25
State Library				
Total all funds	\$8,155,780	\$8,204,297	(\$8,159)	\$8,196,138
Less estimated income	2,374,361	2,363,923	494	2,364,417
General fund	<u>\$5,781,419</u>	<u>\$5,840,374</u>	(\$8,653)	<u>\$5,831,721</u>
FTE	27.75	26.75	0.00	26.75
School for the Deaf				
Total all funds	\$9,959,208	\$10,899,230	\$16,854	\$10,916,084
Less estimated income	2,430,358	3,488,980	20,548	3,509,528
General fund	<u>\$7,528,850</u>	<u>\$7,410,250</u>	(\$3,694)	<u>\$7,406,556</u>
FTE	44.61	44.61	0.00	44.61
Vision Services - School for the Blind				
Total all funds	\$5,770,304	\$6,144,207	(\$3,150)	\$6,141,057
Less estimated income	1,052,315	1,526,111	(146,933)	1,379,178
General fund	<u>\$4,717,989</u>	<u>\$4,618,096</u>	\$143,783	<u>\$4,761,879</u>
FTE	27.90	27.75	0.00	27.75
Bill total				
Total all funds	\$2,557,600,172	\$2,599,953,093	\$346,222,208	\$2,946,175,301
Less estimated income	818,410,777	925,594,171	339,504,601	1,265,098,772
General fund	<u>\$1,739,189,395</u>	<u>\$1,674,358,922</u>	\$6,717,607	<u>\$1,681,076,529</u>
FTE	189.51	185.36	0.00	185.36

House Bill No. 1013 - Department of Public Instruction - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$18,027,035	\$17,838,463	\$16,284	\$17,854,747
Operating expenses	33,770,947	33,098,149	30,726,688	63,824,837
Integrated formula payments	2,098,202,429	2,098,370,500	38,979,500	2,137,350,000
Grants - Special education contracts	24,000,000	27,000,000		27,000,000
Grants - Transportation	56,500,000	56,500,000	1,600,000	58,100,000
Grants - Other grants	287,062,705	312,738,893	274,740,191	587,479,084
Grants - Program grants	7,680,000			
Grants - Passthrough grants	2,863,764			
PowerSchool	5,500,000	5,250,000		5,250,000
National board certification	108,000	176,290		176,290
Grants - Program and passthrough grants		23,733,064	154,000	23,887,064
Total all funds	\$2,533,714,880	\$2,574,705,359	\$346,216,663	\$2,920,922,022
Less estimated income	812,553,743	918,215,157	339,630,492	1,257,845,649
General fund	<u>\$1,721,161,137</u>	<u>\$1,656,490,202</u>	<u>\$6,586,171</u>	<u>\$1,663,076,373</u>
FTE	89.25	86.25	0.00	86.25

Department 201 - Department of Public Instruction - Detail of Senate Changes

	Adjusts Funding for Salary Increases¹	Adjusts Funding for School Approval²	Adjusts Funding for Integrated Formula Payments³	Increases Funding for Transportation Aid⁴	Adjusts Funding for Program and Passthrough Grants⁵	Adds One-Time Funding for State Automated Reporting System (STARS) Maintenance⁶
Salaries and wages	\$16,284					
Operating expenses						\$200,000
Integrated formula payments			\$38,979,500			
Grants - Special education contracts						
Grants - Transportation				\$1,600,000		
Grants - Other grants						
Grants - Program grants						
Grants - Passthrough grants						
PowerSchool						
National board certification						
Grants - Program and passthrough grants					\$154,000	
Total all funds	\$16,284	\$0	\$38,979,500	\$1,600,000	\$154,000	\$200,000
Less estimated income	9,613	(100,000)	34,300,000	0	154,000	0
General fund	<u>\$6,671</u>	<u>\$100,000</u>	<u>\$4,679,500</u>	<u>\$1,600,000</u>	<u>\$0</u>	<u>\$200,000</u>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for COVID-19 Relief¹	Total Senate Changes
Salaries and wages		\$16,284
Operating expenses	\$30,526,688	30,726,688
Integrated formula payments		38,979,500
Grants - Special education contracts		
Grants - Transportation		1,600,000
Grants - Other grants	274,740,191	274,740,191
Grants - Program grants		
Grants - Passthrough grants		
PowerSchool		
National board certification		
Grants - Program and passthrough grants		154,000
Total all funds	\$305,266,879	\$346,216,663
Less estimated income	<u>305,266,879</u>	<u>339,630,492</u>
General fund	\$0	\$6,586,171
FTE	0.00	0.00

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² The funding source for professional fees related to school approval is adjusted to provide \$100,000 from the general fund for the Department of Public Instruction's portion of the \$1,112,000 total cost. Funding for the remaining cost will be reimbursed by school districts through an assessment withheld from school districts' integrated formula payments.

³ Funding is increased for integrated formula payments pursuant to Senate amendments to House Bill No. 1388, including funding provided from the foundation aid stabilization fund to provide a 1 percent increase in the integrated formula payment rate each year of the 2021-23 biennium (\$34,300,000) and funding provided from the general fund related to changes in the school district size weighting factors for elementary schools (\$4,679,500).

⁴ Pursuant to Senate amendments to House Bill No. 1027, funding for transportation aid grants is increased to provide a total of \$58.1 million.

⁵ Funding from special funds made available from 2019-21 biennium carryover is added to increase funding for national writing projects (\$7,500), "We the People" program (\$27,500), and rural art outreach (\$119,000) to provide the following program and passthrough grants:

	<u>Program and Passthrough Grants</u>
Adult education matching grants	\$5,000,000
School food services matching grants	1,380,000
Free breakfast program	200,000
Program grant pool	900,000
Science experiments one-time grant	13,500,000
National writing projects	50,000
Rural art outreach projects	425,000
North Central Council for Education Media Services	202,300
Mentoring program	2,125,764
"We the People" program	70,000
Cultural heritage grants	<u>34,000</u>
Total program and passthrough grants	\$23,887,064

⁶ One-time funding is added for state automated reporting system (STARS) maintenance. In addition, a section is added to the bill to provide up to \$600,000 of the unexpended amount remaining from the one-time appropriation from the foundation aid stabilization fund for the STARS rewrite, at the end of the 2019-21 biennium may be continued into the 2021-23 biennium for continuing the STARS rewrite.

⁷ One-time funding made available through the American Rescue Plan Act of 2021 is added, including discretionary funding available to the Superintendent of Public Instruction (\$30,526,688) and funding to be allocated directly to school districts (\$274,740,191).

This amendment also:

- Adds a section to authorize the department to withhold funds required to be paid by school districts for school approval;
- Adds a section to authorize the Superintendent of Public Instruction to provide funding from the integrated formula payments line item for postsecondary transitional programs;
- Adds a section to require school districts to use 70 percent of increased funding for integrated formula payments for compensation increases for non-administrative personnel;
- Adds a section to restrict funding provided for the Kindergarten Through Grade Twelve Education Coordination Council;
- Removes a section related to indirect cost recoveries and amends a section related to general educational development fees and displaced homemaker deposits to include indirect cost recoveries;
- Amends North Dakota Century Code Section 15.1-02-02 to provide the statutory changes to increase the Superintendent of Public Instruction's salary. The Superintendent's annual salary would increase from the current level of \$125,880 to \$127,768, effective July 1, 2021, and to \$130,323, effective July 1, 2022, to reflect a 1.5 percent salary increase in the 1st year of the biennium and a 2 percent salary increase in the 2nd year of the biennium;
- Removes a section amending Section 15.1-06-19 related to school counselors that would have required each school district have one school counselor for every 300 students in kindergarten through grade 6;
- Amends Section 15.1-27-16 to allow administrative cost-sharing reimbursement for special education units; and
- Adds an emergency clause for federal funding provided through the American Rescue Plan Act of 2021, totaling \$305,266,879 appropriated in subdivision 1 of Section 1 of the bill.

House Bill No. 1013 - State Library - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$4,300,335	\$4,148,066	(\$8,159)	\$4,139,907
Operating expenses	1,621,917	1,822,703		1,822,703
Grants	<u>2,233,528</u>	<u>2,233,528</u>		<u>2,233,528</u>
Total all funds	\$8,155,780	\$8,204,297	(\$8,159)	\$8,196,138
Less estimated income	<u>2,374,361</u>	<u>2,363,923</u>	494	<u>2,364,417</u>
General fund	\$5,781,419	\$5,840,374	(\$8,653)	\$5,831,721
FTE	27.75	26.75	0.00	26.75

Department 250 - State Library - Detail of Senate Changes

	Adjusts Funding for Salary Increases ¹	Total Senate Changes
Salaries and wages	(\$8,159)	(\$8,159)
Operating expenses		
Grants		
Total all funds	(\$8,159)	(\$8,159)
Less estimated income	<u>494</u>	<u>494</u>
General fund	(\$8,653)	(\$8,653)
FTE	0.00	0.00

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

House Bill No. 1013 - School for the Deaf - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$8,054,944	\$8,337,466	(\$4,646)	\$8,332,820
Operating expenses	1,705,586	1,705,586	21,500	1,727,086
Capital assets	158,678	856,178		856,178
Grants	40,000			
Total all funds	\$9,959,208	\$10,899,230	\$16,854	\$10,916,084
Less estimated income	2,430,358	3,488,980	20,548	3,509,528
General fund	\$7,528,850	\$7,410,250	(\$3,694)	\$7,406,556
FTE	44.61	44.61	0.00	44.61

Department 252 - School for the Deaf - Detail of Senate Changes

	Adjusts Funding for Salary Increases¹	Adds One-Time Funding for Operating Expenses²	Total Senate Changes
Salaries and wages	(\$4,646)		(\$4,646)
Operating expenses		\$21,500	21,500
Capital assets			
Grants			
Total all funds	(\$4,646)	\$21,500	\$16,854
Less estimated income	(952)	21,500	20,548
General fund	(\$3,694)	\$0	(\$3,694)
FTE	0.00	0.00	0.00

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² One-time funding is added for operating expenses to receive and expend two grants from the Department of Public Instruction (elementary and secondary school emergency relief funds) to assist special education programs in assessing and responding to individual needs as a result of COVID-19 (\$11,500) and to improve graduation rates of students with disabilities through the use of evidence-based practices (\$10,000).

House Bill No. 1013 - Vision Services - School for the Blind - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$4,935,291	\$4,995,344	(\$3,150)	\$4,992,194
Operating expenses	795,821	825,671		825,671
Capital assets	39,192	323,192		323,192
Total all funds	\$5,770,304	\$6,144,207	(\$3,150)	\$6,141,057
Less estimated income	1,052,315	1,526,111	(146,933)	1,379,178
General fund	\$4,717,989	\$4,618,096	\$143,783	\$4,761,879
FTE	27.90	27.75	0.00	27.75

Department 253 - Vision Services - School for the Blind - Detail of Senate Changes

	Adjusts Funding for Salary Increases ¹	Adjusts the Funding Source for 1 FTE Position ²	Total Senate Changes
Salaries and wages	(\$3,150)		(\$3,150)
Operating expenses			
Capital assets			
Total all funds	(\$3,150)	\$0	(\$3,150)
Less estimated income	(951)	(145,982)	(146,933)
General fund	(\$2,199)	\$145,982	\$143,783
FTE	0.00	0.00	0.00

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² The funding source for 1 FTE position is changed from special funds available from trust fund distributions, rents, and service revenue to funding from the general fund.