

February 25, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1013

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 public instruction, the center for distance education, the state library, the school for the deaf,
3 and North Dakota vision services - school for the blind; to amend and reenact section
4 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of
5 public instruction; to provide for a transfer; to provide a report; and to provide an exemption.

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

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from other funds derived from special funds and
10 federal funds, to the department of public instruction, the center for distance education, the
11 state library, the school for the deaf, and North Dakota vision services - school for the blind for
12 the purpose of defraying the expenses of those agencies, for the biennium beginning July 1,
13 2025, and ending June 30, 2027, as follows:

14 Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$19,964,765	\$0	\$19,964,765
19 Operating expenses	32,793,320	0	32,793,320
20 Integrated formula payments	2,299,674,851	0	2,299,674,851

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1	Grants - special education	24,000,000	0	24,000,000
2	Grants - transportation	58,100,000	0	58,100,000
3	Grants - other grants	382,738,893	0	382,738,893
4	Grants - program grants	17,205,000	0	17,205,000
5	Grants - passthrough grants	3,569,000	0	3,569,000
6	PowerSchool	5,775,000	0	5,775,000
7	National board certification	176,290	0	176,290
8	Total all funds	\$2,843,997,119	\$0	\$2,843,997,119
9	Less other funds	1,115,246,674	0	1,115,246,674
10	Total general fund	\$1,728,750,445	\$0	\$1,728,750,445
11	Salaries and wages	\$19,964,765	\$1,121,603	\$21,086,368
12	New and vacant FTE pool	0	695,495	695,495
13	Operating expenses	32,793,320	9,718,204	42,511,524
14	Integrated formula payments	2,299,674,851	116,655,489	2,416,330,340
15	Grants - special education	24,000,000	0	24,000,000
16	Grants - transportation	58,100,000	5,400,000	63,500,000
17	Grants - other grants	382,738,893	29,705,709	412,444,602
18	Grants - program grants	17,205,000	7,011,027	24,216,027
19	Grants - passthrough grants	3,569,000	12,266,000	15,835,000
20	PowerSchool	5,775,000	(5,775,000)	0
21	Student information systems	0	5,775,000	5,775,000
22	National board certification	176,290	0	176,290
23	Total all funds	\$2,843,997,119	\$182,573,527	\$3,026,570,646
24	Less other funds	1,115,246,674	176,835,668	1,292,082,342
25	Total general fund	\$1,728,750,445	\$5,737,859	\$1,734,488,304
26	Full-time equivalent positions	86.25	0.00	86.25
27	Subdivision 2.			
28	CENTER FOR DISTANCE EDUCATION			
29			Adjustments or	
30		Base Level	Enhancements	Appropriation
31	Center for distance education	\$11,613,483	\$0	\$11,613,483

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1	Total all funds	\$11,613,483	\$0	\$11,613,483
2	Less other funds	4,550,000	0	4,550,000
3	Total general fund	\$7,063,483	\$0	\$7,063,483
4	Full-time equivalent positions	30.80	0.00	30.80
5	Center for distance education	\$11,613,483	\$2,966,477	\$14,579,960
6	New and vacant FTE pool	0	361,061	361,061
7	Total all funds	\$11,613,483	\$3,327,538	\$14,941,021
8	Less other funds	4,550,000	1,974,000	6,524,000
9	Total general fund	\$7,063,483	\$1,353,538	\$8,417,021
10	Full-time equivalent positions	30.80	1.20	32.00

11 Subdivision 3.

12 STATE LIBRARY

13			Adjustments or	
14		Base Level	Enhancements	Appropriation
15	Salaries and wages	\$4,615,731	\$0	\$4,615,731
16	Operating expenses	2,282,298	0	2,282,298
17	Grants	2,283,528	0	2,283,528
18	Total all funds	\$9,181,557	\$0	\$9,181,557
19	Less other funds	2,499,073	0	2,499,073
20	Total general fund	\$6,682,484	\$0	\$6,682,484
21	Salaries and wages	\$4,615,731	\$500,120	\$5,115,851
22	New and vacant FTE pool	0	107,552	107,552
23	Operating expenses	2,282,298	707,777	2,990,075
24	Grants	2,283,528	0	2,283,528
25	Total all funds	\$9,181,557	\$1,315,449	\$10,497,006
26	Less other funds	2,499,073	305,139	2,804,212
27	Total general fund	\$6,682,484	\$1,010,310	\$7,692,794
28	Full-time equivalent positions	26.75	0.00	26.75

29 Subdivision 4.

30 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	\$9,283,599	\$0
4	Operating expenses	1,705,586	0
5	Capital assets	158,678	0
6	Total all funds	\$11,147,863	\$0
7	Less other funds	2,811,557	0
8	Total general fund	\$8,336,306	\$0
9	Full-time equivalent positions	45.36	0.00
10	Salaries and wages	\$9,283,599	\$735,225
11	New and vacant FTE pool	0	415,571
12	Operating expenses	1,705,586	320,839
13	Capital assets	158,678	283,800
14	Total all funds	\$11,147,863	\$1,755,435
15	Less other funds	2,811,557	360,186
16	Total general fund	\$8,336,306	\$1,395,249
17	Full-time equivalent positions	45.36	1.50

Subdivision 5.

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20			
21			
22	Salaries and wages	\$5,538,818	\$0
23	Operating expenses	869,686	0
24	Capital assets	39,192	0
25	Total all funds	\$6,447,696	\$0
26	Less other funds	1,206,705	0
27	Total general fund	\$5,240,991	\$0
28	Salaries and wages	\$5,538,818	\$241,078
29	New and vacant FTE pool	0	121,985
30	Operating expenses	869,686	406,571
31	Capital assets	39,192	230,808

1	<u>Total all funds</u>	\$6,447,696	\$1,000,442	\$7,448,138
2	<u>Less other funds</u>	1,206,705	534,239	1,740,944
3	<u>Total general fund</u>	\$5,240,991	\$466,203	\$5,707,194
4	Full-time equivalent positions	27.75	0.00	27.75
5	Subdivision 6.			
6	TOTAL - SECTION 1			
7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Grand total all funds	\$2,882,387,718	\$0	\$2,882,387,718
10	Less grand total other funds	1,126,314,009	0	1,126,314,009
11	Grand total general fund	\$1,756,073,709	\$0	\$1,756,073,709
12	<u>Grand total all funds</u>	\$2,882,387,718	\$189,972,391	\$3,072,360,109
13	<u>Less grand total other funds</u>	1,126,314,009	180,009,232	1,306,323,241
14	<u>Grand total general fund</u>	\$1,756,073,709	\$9,963,159	\$1,766,036,868

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in each entity's base budget for the 2027-29 biennium and which each entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Department of Pubic Instruction			
Science center grants	\$0	\$10,000,000	\$10,000,000
Teacher retention program	0	2,500,000	2,500,000
School board training	0	1,500,000	1,500,000
Native American essential understandings and book series	0	950,000	950,000
Statewide reading tool	500,000	0	500,000
Dyslexia training		300,000	300,000
Assistive technology and curriculum pilot	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total department of public instruction	\$750,000	\$15,250,000	\$16,000,000

1	Center for Distance Education			
2	Information technology equipment	\$0	\$25,000	\$25,000
3	Student information system upgrade	<u>75,250</u>	<u>0</u>	<u>75,250</u>
4	Total center for distance education	\$75,250	\$25,000	\$100,250
5	School for the Deaf			
6	Equipment replacement	\$0	\$45,000	\$45,000
7	Campus security upgrades	<u>0</u>	<u>238,800</u>	<u>238,800</u>
8	Total school for the deaf	\$0	\$283,800	\$283,800
9	North Dakota vision services - School for the Blind			
10	Equipment less than \$5,000	\$0	\$28,000	\$28,000
11	Door replacement	0	10,000	10,000
12	Breakroom remodel	0	55,000	55,000
13	Kitchen cabinet replacement	0	55,000	55,000
14	South parking lot replacement	<u>0</u>	<u>150,000</u>	<u>150,000</u>
15	Total school for the blind	<u>\$0</u>	<u>\$298,000</u>	<u>\$298,000</u>
16	Grand total	\$825,250	\$15,856,800	\$16,682,050

17 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
 18 department of public instruction, center for distance education, state library, school for the deaf,
 19 and North Dakota vision services - school for the blind may not spend funds appropriated in the
 20 new and vacant FTE pool line item in section 1 of this Act, but may request the office of
 21 management and budget to transfer funds from the new and vacant FTE pool line item to the
 22 salaries and wages line item or the center for distance education line item within each
 23 respective subdivision in accordance with the guidelines and reporting provisions included in
 24 House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

25 **SECTION 4. APPROPRIATION - TUITION APPORTIONMENT.** The sum of
 26 ~~\$510,860,000~~\$595,677,350, included in the integrated formula payments line item in
 27 subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any
 28 additional amount in the state tuition fund that becomes available for distribution to public
 29 schools is appropriated to the department of public instruction for that purpose for the biennium
 30 beginning July 1, 2025, and ending June 30, 2027.

1 **SECTION 5. OTHER FUNDS - FOUNDATION AID STABILIZATION FUND.** The other
2 funds line item in subdivision 1 of section 1 of this Act includes the sum of
3 ~~\$157,000,000~~\$219,250,000 from the foundation aid stabilization fund for integrated formula
4 payments, various program grants, and a Native American program and textbook.

5 **SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**
6 The other funds line item in subdivision 1 of section 1 of this Act includes the sum of
7 ~~\$13,993,086~~\$10,000,000 from the strategic investment and improvements fund for ~~integrated-~~
8 ~~formula payments~~science center grants.

9 **SECTION 7. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**
10 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may
11 expend funds included in the integrated formula payments and grants - special education
12 contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational
13 services that were due in the 2023-25 biennium but which were not filed, claimed, or properly
14 supported by the education provider until after June 30, 2025. To be reimbursed under this
15 section, claims must be properly supported and filed with the superintendent of public
16 instruction by June 30, 2026.

17 **SECTION 8. GIFTED AND TALENTED PROGRAM.** The sum of \$800,000, included in the
18 integrated formula payments line item in subdivision 1 of section 1 of this Act, must be
19 distributed to reimburse school districts or special education units for gifted and talented
20 programs upon the submission of an application that is approved in accordance with guidelines
21 adopted by the superintendent of public instruction. The superintendent of public instruction
22 shall encourage cooperative efforts for gifted and talented programs among school districts and
23 special education units.

24 **SECTION 9. MEDICAID MATCHING FUNDING ~~AND SCHOOL APPROVAL~~ -**
25 **WITHHOLDING AND DISTRIBUTION.**

26 ~~1.~~ State school aid payments for special education must be reduced by the amount of
27 matching funds required to be paid by school districts or special education units for students
28 participating in the Medicaid program for the biennium beginning July 1, 2025, and ending
29 June 30, 2027. Special education funds equal to the amount of the matching funds required to
30 be paid by the school district or special education unit must be paid by the superintendent of

1 public instruction to the department of health and human services on behalf of the school district
2 or unit.

3 ~~—2. State school aid payments for integrated formula payments must be reduced by the~~
4 ~~amount of funds required to be paid by school districts for school approval for the biennium~~
5 ~~beginning July 1, 2025, and ending June 30, 2027.~~

6 **SECTION 10. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.**

7 The integrated formula payments line item in subdivision 1 of section 1 of this Act includes
8 \$700,000 from the general fund for the purpose of providing annual grants to regional education
9 associations, for the biennium beginning July 1, 2025, and ending June 30, 2027. An annual
10 grant of \$50,000 is provided to each regional education association that exists as of July 1,
11 2025. Regional education associations that merge during the 2025-27 biennium are entitled to
12 the annual grants that would have been paid to each of the member associations.

13 **SECTION 11. STUDENT MEALS - GRANTS - DISTRIBUTION.** The grants - program
14 grants line item in subdivision 1 of section 1 of this Act includes ~~\$6,000,000~~\$4,500,000 from the
15 general fund for the purpose of providing grants to school districts to defray the expenses of
16 providing meals, free of charge, for all students enrolled in public or nonpublic school at or
17 below ~~two hundred~~two hundred twenty-five percent of the federal poverty guideline, for the
18 biennium beginning July 1, 2025, and ending June 30, 2027. The superintendent of public
19 instruction shall develop guidelines and reporting requirements for the grants.

20 **SECTION 12. PARAPROFESSIONAL-TO-TEACHER PROGRAM - GRANTS -**
21 **DISTRIBUTION.** The grants - program grants line item in subdivision 1 of section 1 of this Act
22 includes \$3,000,000 from the general fund for the purpose of providing grants to accredited
23 institutions of higher education to assist paraprofessionals to become qualified teachers, for the
24 biennium beginning July 1, 2025, and ending June 30, 2027. The superintendent of public
25 instruction may award up to \$20,000 to each qualifying institution for program startup and other
26 administrative costs and the remainder of the appropriation may be used only for tuition and
27 scholarships for students enrolled in the program. The superintendent of public instruction may
28 establish policies and procedures to administer this program.

29 **SECTION 13. NORTH DAKOTA GOVERNOR'S SCHOOLS - GRANTS - DISTRIBUTION.**

30 The grants - passthrough grants line item in subdivision 1 of section 1 of this Act includes
31 \$500,000 from the general fund for the purpose of providing grants for North Dakota governor's

1 schools at North Dakota state university and university of North Dakota, for the biennium
2 beginning July 1, 2025, and ending June 30, 2027.

3 1. The superintendent of public instruction shall conduct North Dakota governor's
4 schools once a summer alternating annually between North Dakota state university
5 and university of North Dakota.

6 2. The superintendent of public instruction shall award the grants based on providing an
7 average cost of \$5,000 per student attending the schools each year not to exceed a
8 total of \$250,000 to each university for each year of the biennium.

9 3. The governor's schools program must provide programs related to science,
10 technology, engineering, mathematics, energy law, mental health, education, and
11 health sciences.

12 4. The superintendent of public instruction shall name codirectors at each university to
13 ensure continued collaboration of the schools at both campuses.

14 5. Funds may be used only for defraying expenses for students while on campus,
15 including housing, dining, resident assistants, program directors, instructors, and
16 faculty research sponsors.

17 **SECTION 14. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL**

18 **EDUCATIONAL DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS.**

19 Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect
20 cost recoveries in its operating account. In addition, any moneys collected by the department of
21 public instruction for general educational development fees and displaced homemakers
22 deposits must be deposited in the public instruction fund in the state treasury. Any funds
23 deposited in the public instruction fund may only be spent subject to appropriation by the
24 legislative assembly.

25 **SECTION 15. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER -**

26 **GENERAL FUND.** Notwithstanding section 54-44.1-11, if, after the superintendent of public
27 instruction complies with all statutory payment obligations imposed for the 2023-25 biennium,
28 from any moneys remaining in the integrated formula payments line item in subdivision 1 of
29 section 1 of chapter 45 of the 2023 Session Laws, the lesser of \$11,165,000 or the remaining
30 amount must be continued into the 2025-27 biennium and the office of management and budget
31 shall transfer this amount into the public instruction fund for the purpose of providing program

1 and passthrough grants as appropriated in subdivision 1 of section 1 of this Act. The
2 superintendent of public instruction shall transfer any of these funds remaining unspent at the
3 end of the 2025-27 biennium to the general fund.

4 **SECTION 16. EXEMPTION - UNEXPENDED APPROPRIATIONS - DEPARTMENT OF**
5 **PUBLIC INSTRUCTION.** The following appropriations to the department of public instruction
6 are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium
7 beginning July 1, 2025, and ending June 30, 2027:

- 8 1. Any funds remaining from federal funds derived from the elementary and secondary
9 school emergency education relief fund and any other federal funds appropriated in
10 subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
- 11 2. Any funds remaining from special funds from the public instruction fund in the state
12 treasury, derived from reimbursements withheld from school districts' integrated
13 formula payments for the purpose of information technology project upgrades to the
14 state automated reporting system and the statewide longitudinal data system,
15 appropriated in section 17 of chapter 549 of the 2021 Special Session Session Laws.

16 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATION - STATE LIBRARY.** The
17 sum of \$150,000, appropriated from the general fund to the state library for building renovations
18 in subdivision 3 of section 1 of chapter 45 of the 2023 Session Laws, is not subject to the
19 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for
20 building renovations during the biennium beginning July 1, 2025, and ending June 30, 2027.

21 **SECTION 18. EXEMPTION - UNEXPENDED APPROPRIATIONS - SCHOOL FOR THE**
22 **DEAF.** The sum of \$800,000, appropriated from special funds, derived from trust fund
23 distributions, rents, and service revenue, to the school for the deaf for boiler replacement,
24 pneumatic controls, and a fire alarm system in subdivision 4 of section 1 of chapter 45 of the
25 2023 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended
26 funds from this appropriation are available for boiler replacement, pneumatic controls, and a fire
27 alarm system during the biennium beginning July 1, 2025, and ending June 30, 2027.

28 **SECTION 19. STATE AID TO PUBLIC LIBRARIES.** The grants line item in subdivision 3 of
29 section 1 of this Act includes \$1,737,582 for aid to public libraries, of which no more than
30 one-half may be expended during the fiscal year ending June 30, 2026.

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

3 **15.1-02-02. Salary.**

4 The annual salary of the superintendent of public instruction is ~~one hundred thirty-eight~~
5 ~~thousand one hundred forty-two~~one hundred forty-seven thousand nine hundred seventy-eight
6 dollars through June 30, ~~2024~~2026, and ~~one hundred forty-three thousand six hundred~~
7 ~~sixty-eight~~one hundred fifty-two thousand four hundred seventeen dollars thereafter.