

FIRST ENGROSSMENT

ENGROSSED 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.

15 DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$19,964,765	\$1,121,603	\$21,086,368
19 New and vacant FTE pool	0	695,495	695,495
20 Operating expenses	32,793,320	9,718,204	42,511,524
21 Integrated formula payments	2,299,674,851	116,655,489	2,416,330,340
22 Grants - special education	24,000,000	0	24,000,000

Sixty-ninth
Legislative Assembly

1	Grants - transportation	58,100,000	5,400,000	63,500,000
2	Grants - other grants	382,738,893	29,705,709	412,444,602
3	Grants - program grants	17,205,000	7,011,027	24,216,027
4	Grants - passthrough grants	3,569,000	12,266,000	15,835,000
5	PowerSchool	5,775,000	(5,775,000)	0
6	Student information systems	0	5,775,000	5,775,000
7	National board certification	<u>176,290</u>	<u>0</u>	<u>176,290</u>
8	Total all funds	\$2,843,997,119	\$182,573,527	\$3,026,570,646
9	Less other funds	<u>1,115,246,674</u>	<u>176,835,668</u>	<u>1,292,082,342</u>
10	Total general fund	\$1,728,750,445	\$5,737,859	\$1,734,488,304
11	Full-time equivalent positions	86.25	0.00	86.25

Subdivision 2.

CENTER FOR DISTANCE EDUCATION

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
16	Center for distance education	\$11,613,483	\$2,966,477	\$14,579,960
17	New and vacant FTE pool	<u>0</u>	<u>361,061</u>	<u>361,061</u>
18	Total all funds	\$11,613,483	\$3,327,538	\$14,941,021
19	Less other funds	<u>4,550,000</u>	<u>1,974,000</u>	<u>6,524,000</u>
20	Total general fund	\$7,063,483	\$1,353,538	\$8,417,021
21	Full-time equivalent positions	30.80	1.20	32.00

Subdivision 3.

STATE LIBRARY

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
26	Salaries and wages	\$4,615,731	\$500,120	\$5,115,851
27	New and vacant FTE pool	0	107,552	107,552
28	Operating expenses	2,282,298	707,777	2,990,075
29	Grants	<u>2,283,528</u>	<u>0</u>	<u>2,283,528</u>
30	Total all funds	\$9,181,557	\$1,315,449	\$10,497,006
31	Less other funds	<u>2,499,073</u>	<u>305,139</u>	<u>2,804,212</u>

Sixty-ninth
Legislative Assembly

1	Total general fund	\$6,682,484	\$1,010,310	\$7,692,794
2	Full-time equivalent positions	26.75	0.00	26.75
3	Subdivision 4.			
4		SCHOOL FOR THE DEAF		
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Salaries and wages	\$9,283,599	\$735,225	\$10,018,824
8	New and vacant FTE pool	0	415,571	415,571
9	Operating expenses	1,705,586	320,839	2,026,425
10	Capital assets	<u>158,678</u>	<u>283,800</u>	<u>442,478</u>
11	Total all funds	\$11,147,863	\$1,755,435	\$12,903,298
12	Less other funds	<u>2,811,557</u>	<u>360,186</u>	<u>3,171,743</u>
13	Total general fund	\$8,336,306	\$1,395,249	\$9,731,555
14	Full-time equivalent positions	45.36	1.50	46.86
15	Subdivision 5.			
16		NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND		
17			Adjustments or	
18		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
19	Salaries and wages	\$5,538,818	\$241,078	\$5,779,896
20	New and vacant FTE pool	0	121,985	121,985
21	Operating expenses	869,686	406,571	1,276,257
22	Capital assets	<u>39,192</u>	<u>230,808</u>	<u>270,000</u>
23	Total all funds	\$6,447,696	\$1,000,442	\$7,448,138
24	Less other funds	<u>1,206,705</u>	<u>534,239</u>	<u>1,740,944</u>
25	Total general fund	\$5,240,991	\$466,203	\$5,707,194
26	Full-time equivalent positions	27.75	0.00	27.75
27	Subdivision 6.			
28		TOTAL - SECTION 1		
29			Adjustments or	
30		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
31	Grand total all funds	\$2,882,387,718	\$189,972,391	\$3,072,360,109

Sixty-ninth
Legislative Assembly

1	Less grand total other funds	<u>1,126,314,009</u>	<u>180,009,232</u>	<u>1,306,323,241</u>
2	Grand total general fund	\$1,756,073,709	\$9,963,159	\$1,766,036,868

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

4 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
5 items included in the appropriation in section 1 of this Act which are not included in each entity's
6 base budget for the 2027-29 biennium and which each entity shall report to the appropriations
7 committees of the seventieth legislative assembly regarding the use of this funding:

8	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
9	Department of Pubic Instruction			
10	Science center grants	\$0	\$10,000,000	\$10,000,000
11	Teacher retention program	0	2,500,000	2,500,000
12	School board training	0	1,500,000	1,500,000
13	Native American essential	0	950,000	950,000
14	understandings and book series			
15	Statewide reading tool	500,000	0	500,000
16	Dyslexia training		300,000	300,000
17	Assistive technology and	<u>250,000</u>	<u>0</u>	<u>250,000</u>
18	curriculum pilot			
19	Total department of public instruction	\$750,000	\$15,250,000	\$16,000,000
20	Center for Distance Education			
21	Information technology equipment	\$0	\$25,000	\$25,000
22	Student information system upgrade	<u>75,250</u>	<u>0</u>	<u>75,250</u>
23	Total center for distance education	\$75,250	\$25,000	\$100,250
24	School for the Deaf			
25	Equipment replacement	\$0	\$45,000	\$45,000
26	Campus security upgrades	<u>0</u>	<u>238,800</u>	<u>238,800</u>
27	Total school for the deaf	\$0	\$283,800	\$283,800
28	North Dakota vision services - School for the Blind			
29	Equipment less than \$5,000	\$0	\$28,000	\$28,000
30	Door replacement	0	10,000	10,000
31	Breakroom remodel	0	55,000	55,000

1	Kitchen cabinet replacement	0	55,000	55,000
2	South parking lot replacement	<u>0</u>	<u>150,000</u>	<u>150,000</u>
3	Total school for the blind	<u>\$0</u>	<u>\$298,000</u>	<u>\$298,000</u>
4	Grand total	\$825,250	\$15,856,800	\$16,682,050

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

13 **SECTION 4. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$595,677,350,
14 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is
15 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund
16 that becomes available for distribution to public schools is appropriated to the department of
17 public instruction for that purpose for the biennium beginning July 1, 2025, and ending June 30,
18 2027.

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

23 **SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**
24 The other funds line item in subdivision 1 of section 1 of this Act includes the sum of
25 \$10,000,000 from the strategic investment and improvements fund for science center grants.

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

1 section, claims must be properly supported and filed with the superintendent of public
2 instruction by June 30, 2026.

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

10 **SECTION 9. MEDICAID MATCHING FUNDING - WITHHOLDING AND DISTRIBUTION.**
11 State school aid payments for special education must be reduced by the amount of matching
12 funds required to be paid by school districts or special education units for students participating
13 in the Medicaid program for the biennium beginning July 1, 2025, and ending June 30, 2027.
14 Special education funds equal to the amount of the matching funds required to be paid by the
15 school district or special education unit must be paid by the superintendent of public instruction
16 to the department of health and human services on behalf of the school district or unit.

17 **SECTION 10. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.**
18 The integrated formula payments line item in subdivision 1 of section 1 of this Act includes
19 \$700,000 from the general fund for the purpose of providing annual grants to regional education
20 associations, for the biennium beginning July 1, 2025, and ending June 30, 2027. An annual
21 grant of \$50,000 is provided to each regional education association that exists as of July 1,
22 2025. Regional education associations that merge during the 2025-27 biennium are entitled to
23 the annual grants that would have been paid to each of the member associations.

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

1 **SECTION 12. PARAPROFESSIONAL-TO-TEACHER PROGRAM - GRANTS -**

2 **DISTRIBUTION.** The grants - program grants line item in subdivision 1 of section 1 of this Act
3 includes \$3,000,000 from the general fund for the purpose of providing grants to accredited
4 institutions of higher education to assist paraprofessionals to become qualified teachers, for the
5 biennium beginning July 1, 2025, and ending June 30, 2027. The superintendent of public
6 instruction may award up to \$20,000 to each qualifying institution for program startup and other
7 administrative costs and the remainder of the appropriation may be used only for tuition and
8 scholarships for students enrolled in the program. The superintendent of public instruction may
9 establish policies and procedures to administer this program.

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

11 The grants - passthrough grants line item in subdivision 1 of section 1 of this Act includes
12 \$500,000 from the general fund for the purpose of providing grants for North Dakota governor's
13 schools at North Dakota state university and university of North Dakota, for the biennium
14 beginning July 1, 2025, and ending June 30, 2027.

- 15 1. The superintendent of public instruction shall conduct North Dakota governor's
16 schools once a summer alternating annually between North Dakota state university
17 and university of North Dakota.
- 18 2. The superintendent of public instruction shall award the grants based on providing an
19 average cost of \$5,000 per student attending the schools each year not to exceed a
20 total of \$250,000 to each university for each year of the biennium.
- 21 3. The governor's schools program must provide programs related to science,
22 technology, engineering, mathematics, energy law, mental health, education, and
23 health sciences.
- 24 4. The superintendent of public instruction shall name codirectors at each university to
25 ensure continued collaboration of the schools at both campuses.
- 26 5. Funds may be used only for defraying expenses for students while on campus,
27 including housing, dining, resident assistants, program directors, instructors, and
28 faculty research sponsors.

29 **SECTION 14. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL**
30 **EDUCATIONAL DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS.**

31 Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect

1 cost recoveries in its operating account. In addition, any moneys collected by the department of
2 public instruction for general educational development fees and displaced homemakers
3 deposits must be deposited in the public instruction fund in the state treasury. Any funds
4 deposited in the public instruction fund may only be spent subject to appropriation by the
5 legislative assembly.

6 **SECTION 15. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER -**
7 **GENERAL FUND.** Notwithstanding section 54-44.1-11, if, after the superintendent of public
8 instruction complies with all statutory payment obligations imposed for the 2023-25 biennium,
9 from any moneys remaining in the integrated formula payments line item in subdivision 1 of
10 section 1 of chapter 45 of the 2023 Session Laws, the lesser of \$11,165,000 or the remaining
11 amount must be continued into the 2025-27 biennium and the office of management and budget
12 shall transfer this amount into the public instruction fund for the purpose of providing program
13 and passthrough grants as appropriated in subdivision 1 of section 1 of this Act. The
14 superintendent of public instruction shall transfer any of these funds remaining unspent at the
15 end of the 2025-27 biennium to the general fund.

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

- 20 1. Any funds remaining from federal funds derived from the elementary and secondary
21 school emergency education relief fund and any other federal funds appropriated in
22 subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
- 23 2. Any funds remaining from special funds from the public instruction fund in the state
24 treasury, derived from reimbursements withheld from school districts' integrated
25 formula payments for the purpose of information technology project upgrades to the
26 state automated reporting system and the statewide longitudinal data system,
27 appropriated in section 17 of chapter 549 of the 2021 Special Session Session Laws.

28 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATION - STATE LIBRARY.** The
29 sum of \$150,000, appropriated from the general fund to the state library for building renovations
30 in subdivision 3 of section 1 of chapter 45 of the 2023 Session Laws, is not subject to the

1 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for
2 building renovations during the biennium beginning July 1, 2025, and ending June 30, 2027.

3 **SECTION 18. EXEMPTION - UNEXPENDED APPROPRIATIONS - SCHOOL FOR THE**

4 **DEAF.** The sum of \$800,000, appropriated from special funds, derived from trust fund
5 distributions, rents, and service revenue, to the school for the deaf for boiler replacement,
6 pneumatic controls, and a fire alarm system in subdivision 4 of section 1 of chapter 45 of the
7 2023 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended
8 funds from this appropriation are available for boiler replacement, pneumatic controls, and a fire
9 alarm system during the biennium beginning July 1, 2025, and ending June 30, 2027.

10 **SECTION 19. STATE AID TO PUBLIC LIBRARIES.** The grants line item in subdivision 3 of

11 section 1 of this Act includes \$1,737,582 for aid to public libraries, of which no more than
12 one-half may be expended during the fiscal year ending June 30, 2026.

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

15 **15.1-02-02. Salary.**

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