

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 public instruction, the school for the deaf, North Dakota vision services - school for the blind,
3 and the state library; to provide for the distribution of special education payments, contingent
4 payments, cost-sharing assistance for school district joint powers agreements, and hold
5 harmless payments; and to amend and reenact section 15.1-02-02 of the North Dakota Century
6 Code, relating to the salary of the superintendent of public instruction.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
9 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
10 treasury, not otherwise appropriated, and from special funds derived from federal funds and
11 other income, to the department of public instruction, the school for the deaf, North Dakota
12 vision services - school for the blind, and the state library for the purpose of defraying the
13 expenses of these agencies, for the biennium beginning July 1, 2003, and ending June 30,
14 2005, as follows:

15 Subdivision 1.

16 DEPARTMENT OF PUBLIC INSTRUCTION

17 Salaries and wages	\$9,572,703
18 Operating expenses	13,527,674
19 Capital assets	15,000
20 Hold harmless payments	1,200,000
21 Reorganization bonuses and joint powers incentives	1,000,000
22 Grants - State school aid	478,056,990
23 Grants - Teacher compensation payments	66,277,000
24 Grants - Revenue supplement payments	3,200,000

Fifty-eighth
Legislative Assembly

1	Grants - Tuition apportionment	69,495,371
2	Grants - Special education	49,898,695
3	Grants - Other grants	<u>181,902,244</u>
4	Total all funds	\$874,145,677
5	Less estimated income	<u>265,980,642</u>
6	Total general fund appropriation	\$608,165,035
7	Subdivision 2.	
8		STATE LIBRARY
9	Salaries and wages	\$2,102,414
10	Operating expenses	1,188,360
11	Grants	<u>1,396,807</u>
12	Total all funds	\$4,687,581
13	Less estimated income	<u>1,630,863</u>
14	Total general fund appropriation	\$3,056,718
15	Subdivision 3.	
16		SCHOOL FOR THE DEAF
17	Salaries and wages	\$4,855,655
18	Operating expenses	1,105,746
19	Capital assets	<u>32,723</u>
20	Total all funds	\$5,994,124
21	Less estimated income	<u>871,449</u>
22	Total general fund appropriation	\$5,122,675
23	Subdivision 4.	
24		VISION SERVICES - SCHOOL FOR THE BLIND
25	Salaries and wages	\$2,569,793
26	Operating expenses	702,603
27	Capital assets	<u>18,233</u>
28	Total all funds	\$3,290,629
29	Less estimated income	<u>1,198,474</u>
30	Total general fund appropriation	\$2,092,155
31	Grand total general fund appropriation S.B. 2013	\$618,436,583

1	Grand total special funds appropriation S.B. 2013	\$269,681,428
2	Grand total all funds appropriation S.B. 2013	\$888,118,011

3 **SECTION 2. APPROPRIATION - TUITION APPORTIONMENT.** The sum of
4 \$69,495,371, included in the grants - tuition apportionment line item in subdivision 1 of
5 section 1 of this Act, is from the state tuition fund in the state treasury. Any additional amount in
6 the state tuition fund that becomes available for distribution to public schools is appropriated to
7 the department of public instruction for that purpose for the biennium beginning July 1, 2003,
8 and ending June 30, 2005.

9 **SECTION 3. STATE SCHOOL AID AND SPECIAL EDUCATION EXPENDITURE**
10 **AUTHORITY.** The superintendent of public instruction may expend funds included in the grants
11 - state school aid and grants - special education line items in subdivision 1 of section 1 of this
12 Act in payment of grants for educational services that were due in the 2001-03 biennium but
13 which were not filed, claimed, or properly supported by the education provider until after
14 June 30, 2003.

15 **SECTION 4. DISTRIBUTION OF SPECIAL EDUCATION AID.** The sum of
16 \$49,898,695, included in the grants - special education line item in subdivision 1 of section 1 of
17 this Act, must be distributed as follows:

- 18 1. Thirteen million dollars to reimburse school districts or special education units for
19 excess costs incurred relating to contracts for students with disabilities.
- 20 2. Four hundred thousand dollars to reimburse school districts or special education
21 units for gifted and talented programs upon the submission of an application that is
22 approved in accordance with guidelines adopted by the superintendent of public
23 instruction. The superintendent of public instruction shall encourage cooperative
24 efforts for gifted and talented programs among school districts and special
25 education units.
- 26 3. Any amount remaining in the line item must be distributed on a per student basis
27 as required by section 15.1-27-10, excluding reimbursements for student contracts
28 and gifted and talented programs. State special education payments distributed as
29 required by section 15.1-27-10 must be reduced by the amount of matching funds
30 required to be paid by school districts or special education units for students
31 participating in the medicaid program. Special education funds equal to the

1 amount of the matching funds required to be paid by the school district or special
2 education unit must be paid by the superintendent of public instruction to the
3 department of human services on behalf of the school district or unit.

4 **SECTION 5. PAYMENTS FOR LIMITED ENGLISH PROFICIENT STUDENTS.**

5 Payments to school districts educating limited English proficient students, as provided in section
6 15.1-27-12, must be made by the superintendent of public instruction during the biennium
7 beginning July 1, 2003, and ending June 30, 2005, using up to \$650,000 of the amount
8 included in the grants - state school aid line item in subdivision 1 of section 1 of this Act.

9 **SECTION 6. INDIRECT COST ALLOCATION.** Notwithstanding section 54-44.1-15,
10 the department of public instruction may deposit indirect cost recoveries in its operating
11 account.

12 **SECTION 7. DISPLACED HOMEMAKER FUND.** The sum of \$251,747, included in
13 the estimated income line item in subdivision 1 of section 1 of this Act, is from the displaced
14 homemaker fund and must be used by the superintendent of public instruction for the purpose
15 of providing services for displaced homemakers, as provided in chapter 14-06.1, during the
16 biennium beginning July 1, 2003, and ending June 30, 2005.

17 **SECTION 8. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
18 subdivision 2 of section 1 of this Act includes \$844,307 for aid to public libraries, of which no
19 more than one-half is to be expended during the fiscal year ending June 30, 2004.

20 **SECTION 9. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND**
21 **OPERATING FUND.** Any moneys included in the estimated income line item in subdivision 4
22 of section 1 of this Act, collected for subscription fees or Braille fees, must be deposited in the
23 North Dakota vision services - school for the blind operating fund in the state treasury and may
24 be spent subject to appropriation by the legislative assembly.

25 **SECTION 10. CONTINGENT PAYMENTS - REORGANIZATION BONUSES -**
26 **DECLINING ENROLLMENT PAYMENTS - ADDITIONAL PER STUDENT PAYMENTS.** If the
27 superintendent of public instruction determines that the amount appropriated for per student
28 payments and transportation payments, as contained in the grants - state school aid line item in
29 subdivision 1 of section 1 of this Act, will exceed the total of all statutory obligations for per
30 student and transportation payments during the biennium beginning July 1, 2003, and ending
31 June 30, 2005, the superintendent shall distribute the excess as provided in this section.

- 1 1. Up to \$1,000,000 may be distributed for reorganization bonus payments to school
2 districts, pursuant to section 15.1-12-11.1.
- 3 2. If the amount available exceeds the amount distributed pursuant to subsection 1 of
4 this section, up to \$1,000,000 may be distributed for declining enrollment payments
5 based upon actual declines in enrollment from 1999-2000 to 2002-03.
 - 6 a. The superintendent shall determine the total number of students by which
7 2002-03 fall enrollment is less than 1999-2000 fall enrollment for all districts in
8 the state that experienced a decline in enrollment during that period.
 - 9 b. The superintendent shall calculate a declining enrollment per student payment
10 by dividing the amount available for declining enrollment payments, up to
11 \$1,000,000, by the decline in enrollment calculated pursuant to subdivision a.
 - 12 c. The superintendent shall determine the number of students by which a
13 district's 2002-03 fall enrollment is less than 1999-2000 fall enrollment.
 - 14 d. The superintendent shall determine the declining enrollment payment due a
15 district by multiplying the per student payment amount calculated in
16 subdivision b by the decline in enrollment calculated in subdivision c.
- 17 3. Any remaining amount must be distributed as additional per student payments
18 under chapter 15.1-27.

19 **SECTION 11. COST-SHARING ASSISTANCE FOR SCHOOL DISTRICT JOINT**

20 **POWERS AGREEMENTS.** The sum of \$500,000, or so much of the sum as may be
21 necessary, included in the reorganization bonuses and joint powers incentives line item in
22 subdivision 1 of section 1 of this Act, must be distributed to school districts entering into joint
23 powers agreements on or after the effective date of this Act, as provided in this section.

- 24 1. A school district entering into an agreement with another school district in this state
25 for the cooperative or joint administration of educational and related services under
26 a plan approved by the superintendent of public instruction is eligible to receive
27 reimbursement for the expenses of entering into the agreement.
- 28 2. Reimbursement is limited to seventy-five percent of the following costs, as
29 approved by the superintendent of public instruction:

- 1 a. The amount paid by a school district to persons not employed by the district
- 2 for services that were necessary to the formation and preparation of the joint
- 3 powers agreement.
- 4 b. The amount paid by a school district on behalf of a joint powers organization
- 5 to obtain or implement information technology programs or systems relating to
- 6 educational improvement.
- 7 c. The amount paid by a school district for training relating to the governance
- 8 and operation of a joint powers organization.
- 9 d. Other costs incurred by a school district relating to the development of a joint
- 10 powers agreement or the operation of a joint powers organization, as
- 11 determined by the superintendent of public instruction.
- 12 3. The superintendent of public instruction shall reimburse expenses upon claim
- 13 made by an eligible school district, within the limits of legislative appropriations for
- 14 the purpose of this section, in the order of receipt of claims.

15 **SECTION 12. HOLD HARMLESS PAYMENTS.** The sum of \$1,200,000, included in

16 the hold harmless payments line item in subdivision 1 of section 1 of this Act, must be

17 distributed by the superintendent of public instruction as follows:

- 18 1. The superintendent shall calculate the total payment to which a school district is
- 19 entitled during the 2003-05 biennium for per student, transportation, and teacher
- 20 compensation payments, as authorized by the fifty-eighth legislative assembly.
- 21 2. The superintendent shall calculate the total payment to which a school district
- 22 would have been entitled during the 2003-05 biennium if teacher payments had
- 23 continued at the 2002-03 rate of \$3,000 per teacher and funding appropriated by
- 24 the fifty-eighth legislative assembly to increase teacher payments above \$3,000
- 25 per teacher had been appropriated for per student payments.
- 26 3. If the amount to which a school district is entitled during the 2003-05 biennium
- 27 pursuant to subsection 1 does not exceed the amount a school district would have
- 28 received under the parameters of subsection 2 the superintendent of public
- 29 instruction shall forward the difference to the school district on or before June 30,
- 30 2005.

1 4. If the amount appropriated for this purpose is insufficient to provide the payments
2 in subsection 3, the superintendent shall prorate the amount to which districts are
3 entitled.

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

6 **15.1-02-02. Salary.** The annual salary of the superintendent of public instruction is
7 ~~sixty-nine~~ seventy-seven thousand six hundred forty-eight ~~thirty-four~~ dollars through
8 December 31, ~~2004~~ 2003, ~~seventy-five~~ seventy-eight thousand ~~nine~~ two hundred ~~sixteen~~ ten
9 dollars through ~~June 30~~ December 31, 2002 2004, and ~~seventy-seven~~ seventy-nine thousand
10 ~~four~~ seven hundred ~~thirty-four~~ seventy-five dollars thereafter.