

**FIRST ENGROSSMENT  
with Conference Committee Amendments**

**ENGROSSED SENATE BILL NO. 2013**

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 an appropriation relating to teachers' retirement contributions;  
4 to provide for the distribution of special education payments; to provide for transfers; to provide  
5 for a legislative council study; to provide for legislative intent; to provide an exemption; to  
6 amend and reenact section 15.1-02-02 of the North Dakota Century Code, section 28 of  
7 chapter 167 of the 2005 Session Laws, and section 52 of Senate Bill No. 2200, as approved by  
8 the sixtieth legislative assembly, relating to the salary of the superintendent of public  
9 instruction, contingent distributions of per student payments, and teacher compensation  
10 payments; and to declare an emergency.

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

12 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this  
13 section represent the base level funding component appropriated to the department of public  
14 instruction, the school for the deaf, North Dakota vision services - school for the blind, and the  
15 state library in section 3 of this Act as follows:

16 Subdivision 1.

17 DEPARTMENT OF PUBLIC INSTRUCTION

18 Salaries and wages	\$10,056,952
19 Operating expenses	14,892,308
20 Grants - State school aid	484,053,759
21 Grants - Special education contracts	15,500,000
22 Grants - Transportation	33,500,000
23 Grants - Tuition apportionment	71,600,000
24 Grants - Special education	37,000,000

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1	Grants - Revenue supplement	5,000,000
2	Grants - Teacher compensation	50,912,120
3	Grants - Other grants	207,999,083
4	Reorganization bonuses	759,000
5	JPA incentives	1,000,000
6	Transportation efficiency	30,000
7	National board certification	<u>40,000</u>
8	Total all funds - Base level	\$932,343,222
9	Less estimated income - Base level	<u>295,899,635</u>
10	Total general fund - Base level	\$636,443,587

11 Subdivision 2.

12 STATE LIBRARY

13	Salaries and wages	\$2,232,082
14	Operating expenses	1,381,772
15	Grants	<u>1,552,500</u>
16	Total all funds - Base level	\$5,166,354
17	Less estimated income - Base level	<u>1,659,272</u>
18	Total general fund - Base level	\$3,507,082

19 Subdivision 3.

20 SCHOOL FOR THE DEAF

21	Salaries and wages	\$5,035,602
22	Operating expenses	1,377,265
23	Capital assets	<u>279,495</u>
24	Total all funds - Base level	\$6,692,362
25	Less estimated income - Base level	<u>1,327,265</u>
26	Total general fund - Base level	\$5,365,097

27 Subdivision 4.

28 VISION SERVICES - SCHOOL FOR THE BLIND

29	Salaries and wages	\$2,696,280
30	Operating expenses	607,306
31	Capital assets	<u>67,470</u>



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1	Grants	<u>200,000</u>
2	Total all funds - Adjustments/enhancements	\$694,958
3	Less estimated income - Adjustments/enhancements	<u>222,328</u>
4	Total general fund - Adjustments/enhancements	\$472,630
5	Subdivision 3.	
6	SCHOOL FOR THE DEAF	
7	Salaries and wages	(\$272,221)
8	Operating expenses	137,018
9	Capital assets	<u>(129,495)</u>
10	Total all funds - Adjustments/enhancements	(\$264,698)
11	Less estimated income - Adjustments/enhancements	<u>(288,103)</u>
12	Total general fund - Adjustments/enhancements	\$23,405
13	Subdivision 4.	
14	VISION SERVICES - SCHOOL FOR THE BLIND	
15	Salaries and wages	\$281,139
16	Operating expenses	33,492
17	Capital assets	<u>74,630</u>
18	Total all funds - Adjustments/enhancements	\$389,261
19	Less estimated income - Adjustments/enhancements	<u>(2,330)</u>
20	Total general fund - Adjustments/enhancements	\$391,591
21	Total general fund - Section 2	\$74,870,765
22	Total special funds - Section 2	\$29,708,567
23	Total all funds - Section 2	\$104,579,332

24       **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the  
25 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
26 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
27 other income, to the department of public instruction, the school for the deaf, North Dakota  
28 vision services - school for the blind, and the state library for the purpose of defraying the  
29 expenses of those agencies, for the biennium beginning July 1, 2007, and ending June 30,  
30 2009, as follows:

31       Subdivision 1.

1	DEPARTMENT OF PUBLIC INSTRUCTION	
2	Salaries and wages	\$11,427,054
3	Operating expenses	19,738,294
4	Grants - State school aid	726,165,879
5	Grants - Special education contracts	17,500,000
6	Grants - Transportation	33,500,000
7	Grants - Other grants	227,701,806
8	Transportation efficiency	30,000
9	National board certification	<u>40,000</u>
10	Total all funds	\$1,036,103,033
11	Less estimated income	<u>325,676,307</u>
12	Total general fund appropriation	\$710,426,726
13	Subdivision 2.	
14	STATE LIBRARY	
15	Salaries and wages	\$2,631,040
16	Operating expenses	1,477,772
17	Grants	<u>1,752,500</u>
18	Total all funds	\$5,861,312
19	Less estimated income	<u>1,881,600</u>
20	Total general fund appropriation	\$3,979,712
21	Subdivision 3.	
22	SCHOOL FOR THE DEAF	
23	Salaries and wages	\$4,763,381
24	Operating expenses	1,514,283
25	Capital assets	<u>150,000</u>
26	Total all funds	\$6,427,664
27	Less estimated income	<u>1,039,162</u>
28	Total general fund appropriation	\$5,388,502
29	Subdivision 4.	
30	VISION SERVICES - SCHOOL FOR THE BLIND	

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1	Salaries and wages	\$2,977,419
2	Operating expenses	640,798
3	Capital assets	<u>142,100</u>
4	Total all funds	\$3,760,317
5	Less estimated income	<u>844,117</u>
6	Total general fund appropriation	\$2,916,200
7	Total general fund appropriation - Section 3	\$722,711,140
8	Total estimated income appropriation - Section 3	\$329,441,186
9	Total all funds appropriation - Section 3	\$1,052,152,326
10	Grand total general fund appropriation - S.B. 2013	\$722,725,758
11	Grand total special funds appropriation - S.B. 2013	\$329,449,048
12	Grand total all funds appropriation - S.B. 2013	\$1,052,174,806

13           **SECTION 4. APPROPRIATION.** The funds provided in this section, or so much of the  
 14 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
 15 treasury, not otherwise appropriated, and from other funds derived from federal funds and other  
 16 income, to the following departments for the purpose of funding the additional employer  
 17 retirement contribution for teachers' fund for retirement members required by Senate Bill No.  
 18 2046, as approved by the sixtieth legislative assembly, for the biennium beginning July 1, 2007,  
 19 and ending June 30, 2009, as follows:

20	GENERAL	OTHER	
21	FUND	FUNDS	TOTAL
22	Division of independent study	\$7,560	\$7,560
23	School for the deaf	\$4,760	4,760
24	North Dakota vision services -	2,600	2,600
25	School for the blind		
26	Department of Corrections and	7,258	302
27	Rehabilitation		7,560
28	Total	<u>\$14,618</u>	<u>\$7,862</u>
			<u>\$22,480</u>

29           **SECTION 5. APPROPRIATION.** There is appropriated from special funds derived  
 30 from federal funds and other income the sum of \$22,000,000, or so much of the sum as may be

1 necessary, to the superintendent of public instruction for operating expenses and for providing  
2 grants for the period beginning with the effective date of this Act and ending June 30, 2007.

3 **SECTION 6. APPROPRIATION - TUITION APPORTIONMENT.** The sum of  
4 \$76,200,000, included in the grants - state school aid line item in subdivision 1 of section 3 of  
5 this Act, is from the state tuition fund in the state treasury. Any additional amount in the state  
6 tuition fund that becomes available for distribution to public schools is appropriated to the  
7 department of public instruction for that purpose for the biennium beginning July 1, 2007, and  
8 ending June 30, 2009.

9 **SECTION 7. STATE SCHOOL AID AND SPECIAL EDUCATION EXPENDITURE**  
10 **AUTHORITY.** The superintendent of public instruction may expend funds included in the  
11 grants - state school aid and grants - special education contracts line items in subdivision 1 of  
12 section 3 of this Act in payment of grants for educational services that were due in the 2005-07  
13 biennium but which were not filed, claimed, or properly supported by the education provider  
14 until after June 30, 2007.

15 **SECTION 8. DISTRIBUTION OF SPECIAL EDUCATION AID.** The sum of \$400,000,  
16 included in the grants - state school aid line item in subdivision 1 of section 3 of this Act, must  
17 be distributed to reimburse school districts or special education units for gifted and talented  
18 programs upon the submission of an application that is approved in accordance with guidelines  
19 adopted by the superintendent of public instruction. The superintendent of public instruction  
20 shall encourage cooperative efforts for gifted and talented programs among school districts and  
21 special education units. State school aid payments for special education must be reduced by  
22 the amount of matching funds required to be paid by school districts or special education units  
23 for students participating in the medicaid program. Special education funds equal to the  
24 amount of the matching funds required to be paid by the school district or special education unit  
25 must be paid by the superintendent of public instruction to the department of human services  
26 on behalf of the school district or unit.

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



1 vision services - school for the blind. The study should examine alternative uses for the  
2 buildings on the school for the deaf campus beyond the scope of the school's present mission.  
3 The legislative council shall report its findings and recommendations, together with any  
4 legislation required to implement the recommendations, to the sixty-first legislative assembly.

5 **SECTION 15. LEGISLATIVE INTENT - REPORT TO THE SIXTY-FIRST**

6 **LEGISLATIVE ASSEMBLY.** It is the intent of the legislative assembly that the school for the  
7 deaf collaborate with Lake Region state college on the college's wind energy project and  
8 determine the feasibility of the school for the deaf accessing any available energy, including  
9 identifying any related costs. The school for the deaf should provide a report on the status of  
10 this collaboration to the appropriations committees of the sixty-first legislative assembly.

11 **SECTION 16. ADULT EDUCATION PER STUDENT FUNDING STUDY.** The

12 commission on education improvement shall consider studying, during the 2007-08 interim,  
13 changes to the state school aid formula to provide per student payments to school districts  
14 offering an adult education program.

15 **SECTION 17. EXEMPTION.** Any amounts distributed pursuant to section 18 of this Act

16 that will not be expended before June 30, 2007, are not subject to the provisions of section  
17 54-44.1-11 and may be expended during the biennium beginning July 1, 2007, and ending  
18 June 30, 2009, for the purposes provided in section 18 of this Act.

19 **SECTION 18. AMENDMENT.** Section 28 of chapter 167 of the 2005 Session Laws is

20 amended and reenacted as follows:

21 **SECTION 28. CONTINGENCY.** If any moneys appropriated for per student payments

22 and transportation payments in the grants - state school aid line item in House Bill No. 1013, as  
23 approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations  
24 for per student and transportation payments during the biennium beginning July 1, 2005, and  
25 ending June 30, 2007, and after the superintendent of public instruction has fulfilled any  
26 directives contained in section 27 of this Act, the superintendent shall distribute the remaining  
27 moneys as follows:

28 1. The superintendent of public instruction shall use the first \$450,000, or so much of  
29 that amount as may be necessary, to provide additional payments to school  
30 districts serving English language learners in accordance with section 15.1-27-12.

- 1           2.    The superintendent of public instruction shall use the next \$1,000,000, or so much  
2                   of that amount as may be necessary, for the purpose of providing additional ~~per~~  
3                   ~~student~~ payments to school districts participating in eligible educational  
4                   associations in accordance with section 32 of this Act.
- 5           a.    The superintendent of public instruction shall distribute during the 2007-09  
6                   biennium \$45,000, or so much of that amount as may be necessary, as  
7                   grants in the amount of \$5,000 each to any educational association that  
8                   commits to the development and implementation of a teacher mentoring  
9                   program for first-year, second-year, and third-year teachers employed by  
10                  school districts participating in the association. If any of this amount remains  
11                  after meeting the requirements of this subdivision, the superintendent shall  
12                  distribute those funds as additional per student payments on a prorated basis  
13                  to school districts participating in educational associations.
- 14          b.    The superintendent of public instruction shall distribute \$955,000, or so much  
15                  of that amount as may be necessary, as additional per student payments to  
16                  school districts participating in eligible educational associations as provided in  
17                  section 32 of chapter 167 of the 2005 Session Laws.
- 18          3.    The superintendent of public instruction shall use the next \$600,000, or so much of  
19                  that amount as may be necessary, to provide for increases over the established  
20                  baselines in the minimum percentage of state aid payable to a district per weighted  
21                  student unit during the 2007-09 biennium. If any of this amount remains after  
22                  meeting the requirements of this subsection, the superintendent shall distribute  
23                  that remaining amount as additional per student payments on a prorated basis  
24                  according to the latest available average daily membership of each school district.
- 25          4.    The superintendent of public instruction shall use the next \$2,000,000, or so much  
26                  of that amount as may be necessary, for the purpose of providing additional  
27                  transportation grants to school districts as provided in Senate Bill No. 2200, as  
28                  approved by the sixtieth legislative assembly. If any of this amount remains after  
29                  meeting the requirements of this subsection, the superintendent shall distribute  
30                  that remaining amount as per student payments on a prorated basis according to  
31                  the latest available average daily membership of each school district.

- 1           5. a. The superintendent of public instruction shall use the next \$1,000,000, or so  
2                   much of that amount as may be necessary, for the purpose of providing  
3                   payments to school districts that are members of regional education  
4                   associations, for the biennium beginning July 1, 2007, and ending June 30,  
5                   2009.
- 6           b. Each year of the biennium, the superintendent of public instruction shall  
7                   distribute fifty percent of the payments under this subsection to the school  
8                   districts that are members of regional education associations on a per student  
9                   basis. The superintendent shall make the distribution at the same time and in  
10                  the same manner as other state aid payments under section 15.1-27-01.
- 11          6. The superintendent of public instruction shall use the next \$30,000, or so much of  
12                  that amount as may be necessary, for the purpose of providing a grant to the  
13                  division of independent study for enhancing civic education.
- 14          7. The superintendent of public instruction shall use the next \$15,000, or so much of  
15                  that amount as may be necessary, for the purpose of providing a one-time grant to  
16                  the North Dakota museum of art for enhancing the snow country prisons travel  
17                  exhibit.
- 18          8. The superintendent of public instruction shall use the next \$200,000, or so much of  
19                  that amount as may be necessary, to pay for the services of professionals and  
20                  experts with whom the commission on education improvement contracts, during  
21                  the 2007-08 interim, for assistance with its study of educational adequacy. If any  
22                  of this amount remains after meeting the requirements of this subsection, the  
23                  superintendent shall distribute that remaining amount as additional per student  
24                  payments on a prorated basis according to the latest available average daily  
25                  membership of each school district.
- 26          9. The superintendent of public instruction shall use the next \$77,000, or so much of  
27                  that amount as may be necessary, for providing funding to the education standards  
28                  and practices board for providing payments to recipients of national board  
29                  certification and scholarships to individuals seeking national board certification in  
30                  accordance with Senate Bill No. 2057, as approved by the sixtieth legislative  
31                  assembly.

- 1        10. The superintendent of public instruction shall use the next \$200,000, or so much of  
2            that amount as may be necessary, for the purpose of providing additional  
3            payments to school districts offering an adult education program during the  
4            2005-07 biennium.
- 5        11. The superintendent of public instruction shall use the next \$400,000, or so much of  
6            that amount as may be necessary, to purchase and distribute to school districts  
7            automated external defibrillators. If any of this amount remains after meeting the  
8            requirements of this subsection, the superintendent shall distribute that remaining  
9            amount as additional per student payments on a prorated basis according to the  
10           latest available average daily membership of each school district.
- 11       12. The superintendent of public instruction shall use the next \$395,000, or so much of  
12           that amount as may be necessary, for the purpose of providing a grant to the north  
13           central council of school television for licensing of education television programs  
14           for classroom use by North Dakota elementary and secondary schools, assisting  
15           with the North Dakota studies project, and other operating expenses.
- 16       13. The superintendent of public instruction shall use the next \$500,000, or so much of  
17           that amount as may be necessary, for the purpose of funding the rewrite of the  
18           state school aid computer system. If any of this amount remains after meeting the  
19           requirements of this subsection, the superintendent shall distribute that remaining  
20           amount as additional per student payments on a prorated basis according to the  
21           latest available average daily membership of each school district.
- 22       14. The superintendent of public instruction shall use the next \$650,000, or so much of  
23           that amount as may be necessary, for the purpose of funding the rewrite of the  
24           teacher licensure application used by the superintendent of public instruction and  
25           the education standards and practices board. The education standards and  
26           practices board shall pay the remaining \$80,000 of the anticipated total project  
27           cost. If any of this amount remains after meeting the requirements of this  
28           subsection, the superintendent shall distribute that remaining amount as additional  
29           per student payments on a prorated basis according to the latest available average  
30           daily membership of each school district.

1        15. The superintendent of public instruction shall use the next \$25,748, or so much of  
2        that amount as may be necessary, for the purpose of reimbursing eligible school  
3        districts that received reduced amounts of state aid. For the purposes of this  
4        subsection, an eligible school district is one that received a reduction in state aid  
5        during the 2005-07 biennium because the district's general fund levy fell below one  
6        hundred forty mills as the result of an accounting oversight.

7        16. a. The superintendent of public instruction shall use the next \$90,000, or so  
8        much of that amount as may be necessary, for the purpose of providing  
9        grants in the amount of \$1,000 to North Dakota residents who:

10        (1) Are licensed to teach by the education standards and practices board;  
11        (2) Have taught in this state during each of the last five school years; and  
12        (3) Are enrolled in either a master of education program in educational  
13        leadership or a program leading to a specialist diploma in educational  
14        leadership.

15        b. If any of this amount remains after meeting the requirements of this  
16        subsection, the superintendent of public instruction shall distribute that  
17        amount as additional per student payments on a prorated basis, according to  
18        the latest available average daily membership of each school district.

19        17. The superintendent of public instruction shall use the next \$50,000, or so much of  
20        that amount as may be necessary, for the purpose of providing a grant for the  
21        Atlantik-Brucke teacher exchange program.

22        18. The superintendent of public instruction shall use the remainder of the moneys to  
23        provide additional per student payments on a prorated basis according to the latest  
24        available average daily membership of each school district.

25        **SECTION 19. AMENDMENT.** Section 52 of Senate Bill No. 2200, as approved by the  
26        sixtieth legislative assembly, is amended and reenacted as follows:

27        **SECTION 52. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES -**  
28        **REPORTS TO LEGISLATIVE COUNCIL.**

29        1. During the 2007-09 biennium, the board of each school district shall use an  
30        amount equal to at least seventy percent of all new money received by the district  
31        for per student payments to increase the compensation paid to teachers and to

- 1 provide compensation to teachers who begin employment with the district on or  
2 after July 1, 2007.
- 3 2. For purposes of this section, the superintendent of public instruction shall calculate  
4 the amount of new money received by a district during the 2007-09 biennium by:
- 5 a. Determining the total amount of state dollars received by each district during  
6 the 2005-07 biennium as per student payments, tuition apportionment  
7 payments, special education per student payments, ~~and~~ English language  
8 learner payments, extended educational program payments, summer  
9 education program payments, migrant summer program payments, payments  
10 for home-based education programs monitored by the school district, and  
11 teacher compensation payments;
- 12 b. Determining the total amount of state dollars received by each district during  
13 the 2007-09 biennium as per student payments, provided that neither equity  
14 payments under section 15.1-27-11 nor contingency distributions are to be  
15 included in the total; and
- 16 c. Subtracting the amount arrived at under subdivision a from the amount  
17 arrived at under subdivision b.
- 18 3. School districts providing educational services under a cooperative agreement  
19 approved by the superintendent of public instruction must, for purposes of this  
20 section, be treated as a single district.
- 21 4. a. The provisions of this section do not apply to a school district if the board of  
22 the school district, after a public hearing at which public testimony and  
23 documentary evidence are accepted, determines in its discretion and by an  
24 affirmative vote of two-thirds of the members of the board that complying with  
25 the provisions of subsection 1 would place the school district in the position of  
26 having insufficient fiscal resources to meet the school district's other  
27 obligations.
- 28 b. Within ten days of the vote required by subdivision a, the school board shall  
29 notify the superintendent of public instruction of its action and shall file a  
30 report detailing the grounds for its determination and action.

1           c. The superintendent of public instruction shall report all notices received under  
2           this subsection to an interim committee designated by the legislative council.

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

5           **15.1-02-02. Salary.** The annual salary of the superintendent of public instruction is  
6 ~~eighty eighty-seven thousand five~~ one hundred ~~thirty-one~~ three dollars through June 30, ~~2006~~  
7 2008, and ~~eighty-three~~ ninety thousand ~~seven~~ five hundred ~~fifty-three~~ eighty-seven dollars  
8 thereafter.

9           **SECTION 21. EMERGENCY.** Sections 5 and 18 of this Act are declared to be an  
10 emergency measure.