

HOUSE BILL NO. 1013

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; to provide for the distribution of funding for
4 gifted and talented programs and other grants; to provide a contingent appropriation; to create
5 and enact a new section to chapter 57-64 of the North Dakota Century Code, relating to mill
6 levy reduction grants; to amend and reenact section 15.1-02-02 of the North Dakota Century
7 Code, relating to the salary of the superintendent of public instruction; and to declare an
8 emergency.

9 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
11 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
12 treasury, not otherwise appropriated, and from special funds derived from federal funds and
13 other income, to the department of public instruction, the school for the deaf, North Dakota
14 vision services - school for the blind, and the state library for the purpose of defraying the
15 expenses of those agencies, for the biennium beginning July 1, 2009, and ending June 30,
16 2011, as follows:

17 Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20 Salaries and wages	\$11,415,534	\$2,283,467	\$13,699,001
22 Operating expenses	19,738,294	11,253,692	30,991,986
23 Grants - State school aid	726,165,879	110,960,000	837,125,879
24 Grants - Special education contracts	17,500,000	(2,000,000)	15,500,000

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1	Grants - Transportation	33,500,000	5,000,000	38,500,000
2	Grants - Other grants	227,701,806	16,463,915	244,165,721
3	Transportation efficiency	30,000	0	30,000
4	National board certification	<u>40,000</u>	<u>55,000</u>	<u>95,000</u>
5	Total all funds	\$1,036,091,513	\$144,016,074	\$1,180,107,587
6	Less estimated income	<u>325,668,238</u>	<u>34,136,908</u>	<u>359,805,146</u>
7	Total general fund	\$710,423,275	\$109,879,166	\$820,302,441
8	Full-time equivalent positions	94.75	5.00	99.75

9 Subdivision 2.

10 STATE LIBRARY

11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Salaries and wages	\$2,628,494	\$656,518	\$3,285,012
14	Operating expenses	1,477,772	4,801	1,482,573
15	Grants	<u>1,752,500</u>	<u>100,000</u>	<u>1,852,500</u>
16	Total all funds	\$5,858,766	\$761,319	\$6,620,085
17	Less estimated income	<u>1,881,253</u>	<u>58,442</u>	<u>1,939,695</u>
18	Total general fund	\$3,977,513	\$702,877	\$4,680,390
19	Full-time equivalent positions	29.75	0.00	29.75

20 Subdivision 3.

21 SCHOOL FOR THE DEAF

22			Adjustments or	
23		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24	Salaries and wages	\$4,765,173	\$738,561	\$5,503,734
25	Operating expenses	1,514,283	124,320	1,638,603
26	Capital assets	50,000	138,140	188,140
27	Deferred maintenance	<u>0</u>	<u>98,605</u>	<u>98,605</u>
28	Total all funds	\$6,329,456	\$1,099,626	\$7,429,082
29	Less estimated income	<u>1,039,018</u>	<u>295,443</u>	<u>1,334,461</u>
30	Total general fund	\$5,290,438	804,183	\$6,094,621
31	Full-time equivalent positions	43.94	0.00	43.94

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1 Subdivision 4.

2 VISION SERVICES - SCHOOL FOR THE BLIND

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
3			
4			
5	Salaries and wages	\$2,978,895	\$3,410,755
6	Operating expenses	640,798	658,998
7	Capital assets	142,100	27,000
8	Deferred maintenance	<u>0</u>	<u>64,500</u>
9	Total all funds	\$3,761,793	\$4,161,253
10	Less estimated income	<u>843,857</u>	<u>820,582</u>
11	Total general fund	\$2,917,936	\$3,340,671
12	Full-time equivalent positions	28.00	28.00

13 Subdivision 5.

14 BILL TOTAL

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
15			
16			
17	Grand total general fund	\$722,609,162	\$834,418,123
18	Grand total special funds	\$329,432,366	\$363,899,884
19	Grand total all funds	\$1,052,041,528	\$1,198,318,007

20 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
 21 **SIXTY-SECOND LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time
 22 funding items approved by the sixtieth legislative assembly for the 2007-09 biennium and the
 23 2009-11 one-time funding items included in the appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2007-09</u>	<u>2009-11</u>
24			
25	Department of public instruction		
26	STARS school data collection system rewrite	\$0	\$500,000
27	Geographic alliance endowment	<u>0</u>	<u>125,000</u>
28	Total department of public instruction - General fund	\$0	\$625,000
29	School for the deaf		
30	Deferred maintenance	\$100,000	\$0
31	Facility master plan	0	41,000

1	Virtual services business plan	<u>0</u>	<u>25,000</u>
2	Total school for the deaf - General fund	\$100,000	\$66,000
3	School for the blind - Vision services		
4	Equipment	\$0	\$39,200
5	Window replacement	<u>0</u>	<u>31,000</u>
6	Total school for the blind - Vision services - General fund	\$0	\$70,200
7	Grand total - General fund	\$100,000	\$761,200

8 The 2009-11 one-time funding amounts are not a part of the entity's base budget for the
9 2011-13 biennium. The department of public instruction, school for the deaf, and school for the
10 blind - vision services shall report to the appropriations committees of the sixty-second
11 legislative assembly on the use of this one-time funding for the biennium beginning July 1,
12 2009, and ending June 30, 2011.

13 **SECTION 3. DEFERRED MAINTENANCE - TRANSFERS - SCHOOL FOR THE**
14 **DEAF.** The school for the deaf is authorized to transfer from the deferred maintenance line to
15 the capital assets line, contained in subdivision 3 of section 1 of this Act, amounts necessary to
16 address extraordinary repair needs. Any amounts transferred must be reported to the director
17 of the office of management and budget.

18 **SECTION 4. DEFERRED MAINTENANCE - TRANSFERS - SCHOOL FOR THE**
19 **BLIND - VISION SERVICES.** The school for the blind - vision services is authorized to transfer
20 from the deferred maintenance line to the capital assets line, contained in subdivision 4 of
21 section 1 of this Act, amounts necessary to address extraordinary repair needs. Any amounts
22 transferred must be reported to the director of the office of management and budget.

23 **SECTION 5. APPROPRIATION.** There is appropriated from special funds derived from
24 federal funds and other income the sum of \$20,000,000, or so much of the sum as may be
25 necessary, to the superintendent of public instruction for grants for the period beginning with the
26 effective date of this Act and ending June 30, 2009.

27 **SECTION 6. APPROPRIATION - TUITION APPORTIONMENT.** The sum of
28 \$86,300,000, included in the grants - state school aid line item in subdivision 1 of section 3 of
29 this Act, is from the state tuition fund in the state treasury. Any additional amount in the state
30 tuition fund that becomes available for distribution to public schools is appropriated to the

1 department of public instruction for that purpose for the biennium beginning July 1, 2009, and
2 ending June 30, 2011.

3 **SECTION 7. STATE SCHOOL AID AND SPECIAL EDUCATION CONTRACTS**

4 **EXPENDITURE AUTHORITY.** The superintendent of public instruction may expend funds
5 included in the grants - state school aid and grants - special education contracts line items in
6 subdivision 1 of section 1 of this Act in payment of grants for educational services that were due
7 in the 2007-09 biennium but which were not filed, claimed, or properly supported by the
8 education provider until after June 30, 2009.

9 **SECTION 8. GIFTED AND TALENTED PROGRAM - FUNDING - DISTRIBUTION.**

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

21 **SECTION 9. MENTORSHIP GRANT PROGRAM - FUNDING - DISTRIBUTION.** The

22 grants - other grants line item in subdivision 1 of section 1 of this Act includes \$2,300,000 from
23 the general fund for a mentorship grant program. The superintendent of public instruction shall
24 provide this funding to the education standards and practices board, which shall administer the
25 program. The education standards and practices board is authorized to hire a mentoring
26 coordinator to oversee and evaluate the program and to develop and support an advisory
27 committee to assist in program oversight. The education standards and practices board shall
28 select and train mentor teachers who shall provide support to increase instructional skills of
29 protege teachers. Protege teachers must be in their first year of service as an elementary or
30 secondary teacher. Funding may be used to pay for staff, training, evaluation costs, stipends to

1 participating mentors and proteges, as well as other costs determined necessary by the
2 education standards and practices board for the administration of the program.

3 **SECTION 10. INSTRUCTIONAL COACHING PILOT PROJECT - FUNDING -**
4 **DISTRIBUTION.** The grants - other grants line item in subdivision 1 of section 1 of this Act
5 includes \$500,000 from the general fund for an instructional coaching pilot project. The
6 superintendent of public instruction shall provide this funding to no less than three pilot
7 programs of instructional coaching during the 2010-11 school year. State funds must be
8 matched on a one-to-one basis by grant recipients. The superintendent of public instruction
9 shall develop grant criteria to award grants to multidistrict or single district pilot programs to
10 employ instructional coaches in school districts. Criteria may include the employment of highly
11 qualified instructional coaches, teacher involvement, and methods employed to evaluate
12 program effectiveness.

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

16 **SECTION 12. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
17 subdivision 2 of section 1 of this Act includes \$1,300,000 for aid to public libraries, of which no
18 more than one-half is to be expended during the fiscal year ending June 30, 2010.

19 **SECTION 13. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND**
20 **OPERATING FUND.** Any moneys included in the estimated income line item in subdivision 4
21 of section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the
22 North Dakota vision services - school for the blind operating fund in the state treasury and may
23 be spent subject to appropriation by the legislative assembly.

24 **SECTION 14. CONTINGENT APPROPRIATION - SCHOOL DISTRICT - DEFERRED**
25 **MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

26 1. There is appropriated out of any moneys in the general fund in the state treasury,
27 not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as
28 may be necessary, to the superintendent of public instruction for the purpose of
29 awarding to eligible school districts for deferred maintenance and physical plant
30 improvement grants, in accordance with provisions enacted by the sixty-first

1 legislative assembly, for the biennium beginning July 1, 2009, and ending June 30,
2 2011.

3 2. If the office of management and budget determines by July 31, 2010, that the
4 June 30, 2011, ending balance of the state general fund will be more than
5 \$30,000,000 in excess of the amount predicted by the office of management and
6 budget at the conclusion of the 2009 legislative session, the superintendent of
7 public instruction shall forward to each eligible school district:

- 8 a. Twenty thousand dollars; plus
9 b. The school district's pro rata share of the remaining appropriation, calculated
10 by using the latest available average daily membership of each school district.

11 3. If the general fund balance requirements of subsection 2 are not met and if the
12 office of management and budget determines by April 30, 2011, that the June 30,
13 2011, ending balance of the state general fund will be more than \$30,000,000 in
14 excess of the amount predicted by the office of management and budget at the
15 conclusion of the 2009 legislative session, the superintendent of public instruction
16 shall forward to each eligible school district:

- 17 a. Twenty thousand dollars; plus
18 b. The school district's pro rata share of the remaining appropriation, calculated
19 by using the latest available average daily membership of each school district.

20 **SECTION 15. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **15.1-02-02. Salary.** The annual salary of the superintendent of public instruction is
23 ~~eighty-seven~~ ninety-five thousand one hundred ~~three~~ sixteen dollars through June 30, ~~2008~~
24 2010, and ~~ninety~~ ninety-nine thousand ~~five~~ eight hundred ~~eighty-seven~~ seventy-two dollars
25 thereafter.

26 **SECTION 16.** A new section to chapter 57-64 of the North Dakota Century Code is
27 created and enacted as follows:

28 **Continuing appropriation from permanent oil tax trust fund - Mill levy reduction**
29 **grants.** Moneys available in the permanent oil tax trust fund, not otherwise appropriated, are
30 appropriated to the superintendent of public instruction as a standing and continuing

1 appropriation for the distribution of mill levy reduction grants to school districts pursuant to this
2 chapter, distributed as follows:

3 1. The superintendent of public instruction shall estimate the total mill levy reduction
4 grant to which a school district is entitled each year.

5 2. The superintendent of public instruction shall report to each qualifying school
6 district by July fifteenth of each year the anticipated mill levy reduction grant in
7 dollars available to that school district during the upcoming school year.

8 3. By December first, January first, February first, and March first of each school year,
9 the superintendent of public instruction shall forward to each qualifying school
10 district installments equal to twenty-five percent of the total mill levy reduction grant
11 the district is eligible to receive during that school year.

12 **SECTION 17. EMERGENCY.** Section 5 of this Act is declared to be an emergency
13 measure.