

11.8163.04000

Sixty-second
Legislative Assembly
of North Dakota

**FIRST ENGROSSMENT
with House 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 for the distribution of funding for regional education association
4 grants, continuing education grants, gifted and talented programs and medicaid matching funds,
5 and other grants; to amend and reenact section 15.1-02-02 of the North Dakota Century Code,
6 relating to the salary of the superintendent of public instruction; to repeal section 15.1-13-33 of
7 the North Dakota Century Code, relating to the national board certification fund; to provide an
8 exemption; to provide for a transfer; to amend and reenact sections 54 and 59 of chapter 175 of
9 the 2009 Session Laws, relating to funds appropriated for transportation and state school aid; to
10 amend and reenact section 16 of chapter 13 of the 2009 Session Laws, relating to contingent
11 supplemental transportation aid payments; to provide a statement of legislative intent; to
12 provide for reports to the budget section and sixty-third legislative assembly; and to declare an
13 emergency.

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

15 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
16 as may be necessary, are appropriated out of any moneys in the general fund in the state
17 treasury, not otherwise appropriated, and from special funds derived from federal funds and
18 other income, to the department of public instruction, the school for the deaf, North Dakota
19 vision services - school for the blind, and the state library for the purpose of defraying the
20 expenses of those agencies, for the biennium beginning July 1, 2011, and ending June 30,
21 2013, as follows:

22 Subdivision 1.

23

DEPARTMENT OF PUBLIC INSTRUCTION

Sixty-second
Legislative Assembly

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Salaries and wages	\$13,504,455	\$904,845	\$14,409,300
4	Operating expenses	30,770,801	(1,087,614)	29,683,187
5	Grants - State school aid	722,725,958	190,033,520	912,759,478
6	Grants - Special education contracts	15,500,000	500,000	16,000,000
7	Grants - Supplemental one-time	85,644,337	(85,644,337)	0
8	Grants - Supplemental operations	16,795,584	(16,795,584)	0
9	Grants - Transportation	43,500,000	5,000,000	48,500,000
10	Grants - Other grants	245,203,721	64,180,672	309,384,393
11	Grants - Mill levy reduction	295,000,000	(295,000,000)	0
12	ATCS review panel	0	300,000	300,000
13	Education jobs fund	0	21,517,716	21,517,716
14	Transportation efficiency	30,000	0	30,000
15	National board certification	<u>102,500</u>	<u>82,500</u>	<u>185,000</u>
16	Total all funds	\$1,468,777,356	(\$116,008,282)	\$1,352,769,074
17	Less estimated income	<u>360,597,766</u>	<u>90,605,657</u>	<u>451,203,423</u>
18	Total general fund	\$1,108,179,590	(\$206,613,939)	\$901,565,651
19	Full-time equivalent positions	99.75	0.00	99.75
20	Subdivision 2.			
21	STATE LIBRARY			
22			Adjustments or	
23		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24	Salaries and wages	\$3,193,791	\$256,568	\$3,450,359
25	Operating expenses	1,482,573	213,153	1,695,726
26	Grants	<u>1,852,500</u>	<u>400,000</u>	<u>2,252,500</u>
27	Total all funds	\$6,528,864	\$869,721	\$7,398,585
28	Less estimated income	<u>1,927,836</u>	<u>206,774</u>	<u>2,134,610</u>
29	Total general fund	\$4,606,028	\$662,947	\$5,263,975
30	Full-time equivalent positions	29.75	0.00	29.75
31	Subdivision 3.			

1	SCHOOL FOR THE DEAF			
2			Adjustments or	
3		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
4	Salaries and wages	\$5,429,998	\$502,640	\$5,932,638
5	Operating expenses	1,572,603	61,308	1,633,911
6	Capital assets	327,745	712,485	1,040,230
7	Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>
8	Total all funds	\$7,530,346	\$1,276,433	\$8,806,779
9	Less estimated income	<u>1,331,450</u>	<u>756,557</u>	<u>2,088,007</u>
10	Total general fund	\$6,198,896	\$519,876	\$6,718,772
11	Full-time equivalent positions	43.94	0.00	43.94

12 Subdivision 4.

13	VISION SERVICES - SCHOOL FOR THE BLIND			
14			Adjustments or	
15		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16	Salaries and wages	\$3,531,264	\$284,561	\$3,815,825
17	Operating expenses	667,006	84,500	751,506
18	Capital assets	<u>39,500</u>	<u>25,500</u>	<u>65,000</u>
19	Total all funds	\$4,237,770	\$394,561	\$4,632,331
20	Less estimated income	<u>815,902</u>	<u>19,189</u>	<u>835,091</u>
21	Total general fund	\$3,421,868	\$375,372	\$3,797,240
22	Full-time equivalent positions	29.50	0.00	29.50

23 Subdivision 5.

24	BILL TOTAL			
25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Grand total general fund	\$1,122,401,382	(\$205,055,744)	\$917,345,638
28	Grand total special funds	\$364,672,954	\$101,588,177	\$466,261,131
29	Grand total all funds	\$1,487,074,336	(\$103,467,567)	\$1,383,606,769

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

31 **SIXTY-THIRD LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding

Sixty-second
Legislative Assembly

1 items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13
2 one-time funding items included in the appropriation in section 1 of this Act:

3	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
4	Department of public instruction		
5	IT application rewrite and maintenance	\$500,000	\$384,000
6	National board certification fund	500,000	0
7	Federal fiscal stimulus - School aid	85,644,337	0
8	Federal fiscal stimulus - Other	67,379,051	0
9	Geographic alliance endowment	<u>226,000</u>	<u>0</u>
10	Total department of public instruction - All funds	\$154,249,388	\$384,000
11	Total department of public instruction -	<u>153,023,388</u>	<u>0</u>
12	Estimated income		
13	Total department of public instruction -	\$1,226,000	\$384,000
14	General fund		
15	School for the deaf		
16	Virtual services business plan	\$25,000	\$0
17	Facility master plan	41,000	0
18	Extraordinary repairs	0	103,800
19	Trades building remodel	<u>1,670,000</u>	<u>0</u>
20	Total school for the deaf - All funds	\$1,736,000	\$103,800
21	Total school for the deaf - Estimated income	<u>835,000</u>	<u>0</u>
22	Total school for the deaf - General fund	\$901,000	\$103,800
23	School for the blind - Vision services		
24	Equipment	\$39,200	\$25,500
25	Window replacement	31,000	0
26	Facility master plan	0	20,000
27	Instructional equipment	<u>0</u>	<u>24,500</u>
28	Total school for the blind - All funds	\$70,200	\$70,000
29	Total school for the blind - Estimated income	<u>0</u>	<u>0</u>
30	Total school for the blind - General fund	\$70,200	\$70,000
31	Grand total - All funds	\$156,055,588	\$557,800

1	Grand total - Estimated income	\$153,858,388	\$0
2	Grand total - General fund	\$2,197,200	\$557,800

3 The 2011-13 one-time funding amounts are not a part of the entity's base budget for the
4 2013-15 biennium. The department of public instruction, school for the deaf, and school for the
5 blind - vision services shall report to the appropriations committees of the sixty-third legislative
6 assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and
7 ending June 30, 2013.

8 **SECTION 3. APPROPRIATION - LANDS AND MINERALS TRUST FUND - STATE**

9 **BOARD OF HIGHER EDUCATION.** There is appropriated out of any moneys in the lands and
10 minerals trust fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or
11 so much of the sum as may be necessary, to the state board of higher education for the
12 purpose of providing North Dakota academic and career and technical education scholarships,
13 for the biennium beginning July 1, 2011, and ending June 30, 2013.

14 **SECTION 4. APPROPRIATION.** There is appropriated from special funds derived from
15 federal funds the sum of \$30,000,000, or so much of the sum as may be necessary, to the
16 superintendent of public instruction for grants for the period beginning with the effective date of
17 this Act and ending June 30, 2011.

18 **SECTION 5. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$101,638,000,
19 included in the grants - state school aid line item in subdivision 1 of section 1 of this Act, is from
20 the state tuition fund in the state treasury. Any additional amount in the state tuition fund that
21 becomes available for distribution to public schools is appropriated to the department of public
22 instruction for that purpose for the biennium beginning July 1, 2011, and ending June 30, 2013.

23 **SECTION 6. STATE SCHOOL AID AND SPECIAL EDUCATION CONTRACTS**

24 **EXPENDITURE AUTHORITY.** The superintendent of public instruction may expend funds
25 included in the grants - state school aid and grants - special education contracts line items in
26 subdivision 1 of section 1 of this Act in payment of grants for educational services that were due
27 in the 2009-11 biennium but which were not filed, claimed, or properly supported by the
28 education provider until after June 30, 2011.

29 **SECTION 7. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2011-13
30 biennium, the superintendent of public instruction shall expend up to \$800,000 from the grants -
31 state school aid line item in subdivision 1 of section 1 of this Act for the purpose of providing an

1 annual grant to each eligible regional education association in order to assist each association
2 with the cost of compensating a coordinator.

3 1. In order to receive a grant under this section, each regional education association
4 must:

5 a. Enter a contract with an individual to serve as a coordinator, on a full-time or a
6 part-time basis, for a duration of at least twelve months; and

7 b. Provide from other revenue sources at least thirty percent of the total
8 compensation payable to the coordinator.

9 2. The maximum grant payable to a regional education association under this section
10 during each year of the biennium is the lesser of \$50,000 or seventy percent of the
11 total compensation payable to the coordinator.

12 **SECTION 8. RESERVED FUNDS - CONTINGENT ADULT EDUCATION LEARNING**

13 **CENTER GRANTS.** The sum of \$500,000, or so much of the sum as may be necessary, made
14 available under section 18 of this Act, must be used by the department of public instruction for
15 providing adult education learning center grants, for the biennium beginning July 1, 2011, and
16 ending June 30, 2013. The department may provide grants of up to \$250,000 during the first
17 year of the biennium only if federal funding available to the state for adult education is less than
18 \$900,000 in federal fiscal year 2012. Funding provided in the first year of the biennium is limited
19 to the difference between federal funding available in federal fiscal year 2012 and \$900,000.
20 The department may use any remaining funds for adult education learning center grants during
21 the second year of the biennium.

22 **SECTION 9. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION.** The

23 sum of \$100,000, or so much of the sum as may be necessary, included in the grants - other
24 grants line item in subdivision 1 of section 1 of this Act is provided for continuing education
25 grants, for the biennium beginning July 1, 2011, and ending June 30, 2013.

26 1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to
27 eligible recipients in chronological order, based on the date of an individual's
28 application. An eligible recipient must:

29 a. (1) Be licensed to teach by the education standards and practices board;

30 (2) Have taught in this state during each of the last three school years; and

- 1 (3) Be enrolled at an institution of higher education in this state in either a
2 master of education program in educational leadership or a program leading
3 to a specialist diploma in educational leadership;
4 b. Be pursuing the requirements for a certificate in career development facilitation;
5 or
6 c. Be pursuing a school counselor credential.
- 7 2. If any of the amount appropriated for this purpose remains after the superintendent of
8 public instruction has awarded grants to all eligible recipients, the superintendent shall
9 distribute that amount as an additional per student payment on a prorated basis,
10 according to the latest available average daily membership of each school district.

11 **SECTION 10. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING - FUNDING**
12 **- DISTRIBUTION.**

- 13 1. The sum of \$800,000, included in the grants - state school aid line item in
14 subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts
15 or special education units for gifted and talented programs upon the submission of an
16 application that is approved in accordance with guidelines adopted by the
17 superintendent of public instruction. The superintendent of public instruction shall
18 encourage cooperative efforts for gifted and talented programs among school districts
19 and special education units.
- 20 2. State school aid payments for special education must be reduced by the amount of
21 matching funds required to be paid by school districts or special education units for
22 students participating in the medicaid program. Special education funds equal to the
23 amount of the matching funds required to be paid by the school district or special
24 education unit must be paid by the superintendent of public instruction to the
25 department of human services on behalf of the school district or unit.

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

28 **SECTION 12. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
29 subdivision 2 of section 1 of this Act includes \$1,500,000 for aid to public libraries, of which no
30 more than one-half is to be expended during the fiscal year ending June 30, 2012.

1 **SECTION 13. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND**

2 **OPERATING FUND.** Any moneys included in the estimated income line item in subdivision 4 of
3 section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the
4 North Dakota vision services - school for the blind operating fund in the state treasury and may
5 be spent subject to appropriation by the legislative assembly.

6 **SECTION 14. SCHOOL FOR THE DEAF - EXEMPTION - TRANSFER.** Up to \$835,000 of
7 the amount appropriated to the school for the deaf from the general fund, as provided in
8 chapter 13 of the 2009 Session Laws, for the trades building remodeling project and not spent
9 or obligated as of June 30, 2011, is not subject to the provisions of section 54-44.1-11 and shall
10 be transferred by the director of the office of management and budget to the school for the deaf
11 fund during the biennium beginning July 1, 2011, and ending June 30, 2013.

12 **SECTION 15. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT**

13 **PROGRAM.** The grants line item contained in subdivision 3 of section 1 of this Act is for the
14 purpose of providing grants to assist institutions under the control of the state board of higher
15 education with the cost of interpreters and real-time captioning for students who are deaf or
16 hard of hearing for the biennium beginning July 1, 2011, and ending June 30, 2013. Moneys
17 appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed
18 pursuant to the provisions of this section:

- 19 1. The school for the deaf shall develop a formula to determine the grant amount for
20 which an institution is eligible. The formula must be based on a uniform hourly
21 reimbursement.
- 22 2. To obtain a grant under this section, an institution shall submit to the school for the
23 deaf, at the time and in the manner directed by the school, invoices showing the
24 amount expended for interpreters and real-time captioning for students who are deaf
25 or hard of hearing.
- 26 3. The school for the deaf may not distribute more than fifty percent of the amount
27 appropriated during the first year of the biennium.
- 28 4. If any grant moneys remain undistributed at the end of the biennium, the school for the
29 deaf shall provide additional prorated grants to institutions that incurred during the
30 biennium hourly expenses in excess of the formula reimbursement level.

- 1 5. At the request of an institution under the control of the state board of higher education,
2 the school for the deaf shall consult with the institution and provide advice regarding
3 the provision of services most appropriate to meet a student's needs.

4 **SECTION 16. AMENDMENT.** Section 16 of chapter 13 of the 2009 Session Laws is
5 amended and reenacted as follows:

6 **SECTION 16. CONTINGENT APPROPRIATION - SUPPLEMENTAL**
7 **TRANSPORTATION AID PAYMENTS.**

- 8 1. There is appropriated out of any moneys in the general fund in the state treasury,
9 not otherwise appropriated, the sum of ~~\$5,000,000~~\$2,500,000, or so much of the
10 sum as may be necessary, to the superintendent of public instruction for the
11 purpose of providing supplemental transportation aid payments, for the biennium
12 beginning July 1, 2009, and ending June 30, 2011.
- 13 2. If the office of management and budget determines by July 31, 2010, that the
14 June 30, 2011, ending balance of the state general fund will be more than
15 \$30,000,000 in excess of the amount predicted by the office of management and
16 budget at the conclusion of the 2009 legislative session, the superintendent of
17 public instruction shall provide ~~\$5,000,000~~\$2,500,000 as supplemental
18 transportation aid payments to school districts.
- 19 3. If the general fund balance requirements of subsection 2 are not met and if the
20 office of management and budget determines by April 30, 2011, that the June 30,
21 2011, ending balance of the state general fund will be more than \$30,000,000 in
22 excess of the amount predicted by the office of management and budget at the
23 conclusion of the 2009 legislative session, the superintendent of public instruction
24 shall provide ~~\$5,000,000~~\$2,500,000 as supplemental transportation aid
25 payments to school districts.
- 26 4. The superintendent of public instruction shall pro rate the supplemental
27 transportation payments according to the percentage of the total transportation
28 formula amount that each school district is entitled to receive under 2009 House
29 Bill No. 1400 as approved by the sixty-first legislative assembly.

30 **SECTION 17. AMENDMENT.** Section 54 of chapter 175 of the 2009 Session Laws is
31 amended and reenacted as follows:

1 state school aid line item in the appropriation bill for the superintendent of public
2 instruction, as approved by the sixty-first legislative assembly, any money that
3 was appropriated to the superintendent for special education contracts and which
4 remains after the superintendent complied with all statutory special education
5 contract payment obligations imposed for the biennium beginning July 1, 2009,
6 and ending June 30, 2011.

7 2. If any money that was appropriated to the superintendent of public instruction for
8 grants - state aid payments to school districts or added to the grants - state
9 school aid line item in accordance with subsection 1 remains after the
10 superintendent complies with all statutory payment obligations imposed for the
11 biennium beginning July 1, 2009, and ending June 30, 2011, the superintendent
12 shall use:

13 a. Reserve the first eight million dollars, which is not subject to the provisions
14 of section 54-44.1-11 and must be used to provide per student payments
15 during the biennium beginning July 1, 2011, and ending June 30, 2013.

16 b. Reserve the next five hundred thousand dollars, which is not subject to the
17 provisions of section 54-44.1-11 and must be used in accordance with
18 section 8 of this Act.

19 c. Use the money to provide additional per student payments on a prorated
20 basis according to the latest available average daily membership of each
21 school district.

22 **SECTION 19. TRANSFER - NATIONAL BOARD CERTIFICATION FUND - GENERAL**
23 **FUND.** The office of management and budget shall transfer any balance remaining in the
24 national board certification fund at the end of the 2011-13 biennium to the general fund. For
25 purposes of this section, "at the end of the 2011-13 biennium" means after cancellation of
26 unexpended appropriations under section 54-44.1-11.

27 **SECTION 20. LEGISLATIVE INTENT - 2013-15 SCHOOL FOR THE DEAF**
28 **APPROPRIATION BILL.** It is the intent of the sixty-second legislative assembly that the
29 governor include the recommended funding for the school for the deaf in a separate draft
30 appropriations act for introduction to the sixty-third legislative assembly.

1 **SECTION 21. REPORT TO THE BUDGET SECTION AND THE SIXTY-THIRD**

2 **LEGISLATIVE ASSEMBLY.** The superintendent of public instruction shall provide a report to
3 the budget section by September 30, 2012 and to the sixty-third legislative assembly on the
4 development of alternative teacher compensation plans. The report must include use of the
5 funding, number of plans developed, summary of plan variances, criteria for teacher
6 performance review, and recommendations.

7 **SECTION 22. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **15.1-02-02. Salary.**

10 The annual salary of the superintendent of public instruction is ~~ninety-five~~one hundred two
11 ~~thousand one~~eight hundred ~~sixteen~~sixty-eight dollars through June 30, ~~2010~~2012, and
12 ~~ninety-nine~~one hundred five thousand ~~eight~~nine hundred ~~seventy-two~~fifty-four dollars thereafter.

13 **SECTION 23. REPEAL.** Section 15.1-13-33 of the North Dakota Century Code is repealed.

14 **SECTION 24. EMERGENCY.** Sections 4, 16, 17, and 18 of this Act and \$21,517,716
15 appropriated in the education jobs fund line item in subdivision 1 of section 1 of this Act are
16 declared to be an emergency measure.