

**Sixty-second Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2011**

SENATE BILL NO. 2013
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide an appropriation to the information technology department; to provide an appropriation to the North Dakota university system office; to provide for the distribution of funding for regional education association grants, continuing education grants, gifted and talented programs and medicaid matching funds, and other grants; to amend and reenact section 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction; to repeal section 15.1-13-33 of the North Dakota Century Code, relating to the national board certification fund; to provide an exemption; to provide for a transfer; to amend and reenact sections 54 and 59 of chapter 175 of the 2009 Session Laws, relating to funds appropriated for transportation and state school aid; to provide a statement of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$13,504,455	\$904,845	\$14,409,300
Operating expenses	30,770,801	(1,087,614)	29,683,187
Grants - State school aid	722,725,958	195,733,520	918,459,478
Grants - Special education contracts	15,500,000	500,000	16,000,000
Grants - Supplemental one-time	85,644,337	(85,644,337)	0
Grants - Supplemental operations	16,795,584	(16,795,584)	0
Grants - Transportation	43,500,000	5,000,000	48,500,000
Grants - Other grants	245,203,721	58,780,672	303,984,393
Grants - Mill levy reduction	295,000,000	(295,000,000)	0
Education jobs fund	0	21,517,716	21,517,716
Transportation efficiency	30,000	0	30,000
National board certification	<u>102,500</u>	<u>82,500</u>	<u>185,000</u>
Total all funds	\$1,468,777,356	(\$116,008,282)	\$1,352,769,074
Less estimated income	<u>360,597,766</u>	<u>90,605,657</u>	<u>451,203,423</u>
Total general fund	\$1,108,179,590	(\$206,613,939)	\$901,565,651
Full-time equivalent positions	99.75	0.00	99.75

Subdivision 2.

STATE LIBRARY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,193,791	\$256,568	\$3,450,359
Operating expenses	1,482,573	213,153	1,695,726
Grants	1,852,500	400,000	2,252,500
Total all funds	\$6,528,864	\$869,721	\$7,398,585
Less estimated income	1,927,836	206,774	2,134,610
Total general fund	\$4,606,028	\$662,947	\$5,263,975
Full-time equivalent positions	29.75	0.00	29.75

Subdivision 3.

SCHOOL FOR THE DEAF

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

Subdivision 4.

VISION SERVICES - SCHOOL FOR THE BLIND

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

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,122,401,382	(\$194,924,744)	\$927,476,638
Grand total special funds	364,672,954	91,588,177	456,261,131
Grand total all funds	\$1,487,074,336	(\$103,336,567)	\$1,383,737,769

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Department of public instruction		
IT application rewrite and maintenance	\$500,000	\$384,000
National board certification fund	500,000	0
Federal fiscal stimulus - School aid	85,644,337	0
Federal fiscal stimulus - Other	67,379,051	0

Geographic alliance endowment	<u>226,000</u>	<u>0</u>
Total department of public instruction - All funds	\$154,249,388	\$384,000
Total department of public instruction - Estimated income	<u>153,023,388</u>	<u>0</u>
Total department of public instruction - General fund	\$1,226,000	\$384,000
School for the deaf		
Virtual services business plan	\$25,000	\$0
Facility master plan	41,000	0
Extraordinary repairs	0	103,800
Trades building remodel	<u>1,670,000</u>	<u>0</u>
Total school for the deaf - All funds	\$1,736,000	\$103,800
Total school for the deaf - Estimated income	<u>835,000</u>	<u>0</u>
Total school for the deaf - General fund	\$901,000	\$103,800
School for the blind - Vision services		
Equipment	\$39,200	\$25,500
Window replacement	31,000	0
Facility master plan	0	20,000
Instructional equipment	<u>0</u>	<u>24,500</u>
Total school for the blind - All funds	\$70,200	\$70,000
Total school for the blind - Estimated income	<u>0</u>	<u>0</u>
Total school for the blind - General fund	\$70,200	\$70,000
Grand total - All funds	\$156,055,588	\$557,800
Grand total - Estimated income	<u>153,858,388</u>	<u>0</u>
Grand total - General fund	\$2,197,200	\$557,800

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

SECTION 3. ONE-TIME FUNDING - EDUCATION JOBS FUNDS. The federal education jobs funding of \$21,517,716 appropriated to the superintendent of public instruction in subdivision 1 of section 1 of this Act is one-time funding for the 2011-13 biennium. The superintendent of public instruction may not request funding from the general fund to replace this one-time funding in its base budget request for the 2013-15 biennium.

SECTION 4. APPROPRIATION - STAGENET CONNECTIVITY - INFORMATION TECHNOLOGY DEPARTMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$131,000, or so much of the sum as may be necessary, to the information technology department for the purpose of completing school district connectivity to STAGEnet, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 5. APPROPRIATION - SCHOLARSHIP PROGRAMS - STATE BOARD OF HIGHER EDUCATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of providing North Dakota academic and career and technical education scholarships, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 6. APPROPRIATION. There is appropriated from special funds derived from federal funds the sum of \$30,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for grants for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 7. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$101,638,000, included in the grants - state school aid line item in subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any additional amount in the state tuition fund that becomes available for

distribution to public schools is appropriated to the department of public instruction for that purpose for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 8. STATE SCHOOL AID AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the grants - state school aid and grants - special education contracts line items in subdivision 1 of section 1 of this Act in payment of grants for educational services that were due in the 2009-11 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2011.

SECTION 9. REGIONAL EDUCATION ASSOCIATIONS - GRANTS. During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$800,000 from the grants - state school aid line item in subdivision 1 of section 1 of this Act for the purpose of providing an annual grant to each eligible regional education association in order to assist each association with the cost of compensating a coordinator.

1. In order to receive a grant under this section, each regional education association must:
 - a. Enter a contract with an individual to serve as a coordinator, on a full-time or a part-time basis, for a duration of at least twelve months; and
 - b. Provide from other revenue sources at least thirty percent of the total compensation payable to the coordinator.
2. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or seventy percent of the total compensation payable to the coordinator.

SECTION 10. RESERVED FUNDS - CONTINGENT ADULT EDUCATION LEARNING CENTER GRANTS. The sum of \$500,000, or so much of the sum as may be necessary, made available under section 19 of this Act, must be used by the department of public instruction for providing adult education learning center grants, for the biennium beginning July 1, 2011, and ending June 30, 2013. The department may provide grants of up to \$250,000 during the first year of the biennium only if federal funding available to the state for adult education is less than \$900,000 in federal fiscal year 2012. Funding provided in the first year of the biennium is limited to the difference between federal funding available in federal fiscal year 2012 and \$900,000. The department may use any remaining funds for adult education learning center grants during the second year of the biennium.

SECTION 11. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION. The sum of \$100,000, or so much of the sum as may be necessary, included in the grants - other grants line item in subdivision 1 of section 1 of this Act is provided for continuing education grants, for the biennium beginning July 1, 2011, and ending June 30, 2013.

1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to eligible recipients in chronological order, based on the date of an individual's application. An eligible recipient must:
 - a. (1) Be licensed to teach by the education standards and practices board;
 - (2) Have taught in this state during each of the last three school years; and
 - (3) Be enrolled at an institution of higher education in this state in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership;
 - b. Be pursuing the requirements for a certificate in career development facilitation; or
 - c. Be pursuing a school counselor credential.

2. If any of the amount appropriated for this purpose remains after the superintendent of public instruction has awarded grants to all eligible recipients, the superintendent shall distribute that amount as an additional per student payment on a prorated basis, according to the latest available average daily membership of each school district.

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

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

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

SECTION 14. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in subdivision 2 of section 1 of this Act includes \$1,500,000 for aid to public libraries, of which no more than one-half is to be expended during the fiscal year ending June 30, 2012.

SECTION 15. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND OPERATING FUND. Any moneys included in the estimated income line item in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the North Dakota vision services - school for the blind operating fund in the state treasury and may be spent subject to appropriation by the legislative assembly.

SECTION 16. SCHOOL FOR THE DEAF - EXEMPTION - TRANSFER. Up to \$835,000 of the amount appropriated to the school for the deaf from the general fund, as provided in chapter 13 of the 2009 Session Laws, for the trades building remodeling project and not spent or obligated as of June 30, 2011, is not subject to the provisions of section 54-44.1-11 and shall be transferred by the director of the office of management and budget to the school for the deaf fund during the biennium beginning July 1, 2011, and ending June 30, 2013.

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

1. The school for the deaf shall develop a formula to determine the grant amount for which an institution is eligible. The formula must be based on a uniform hourly reimbursement.
2. To obtain a grant under this section, an institution shall submit to the school for the deaf, at the time and in the manner directed by the school, invoices showing the amount expended for interpreters and real-time captioning for students who are deaf or hard of hearing.
3. The school for the deaf may not distribute more than fifty percent of the amount appropriated during the first year of the biennium.

4. If any grant moneys remain undistributed at the end of the biennium, the school for the deaf shall provide additional prorated grants to institutions that incurred during the biennium hourly expenses in excess of the formula reimbursement level.
5. At the request of an institution under the control of the state board of higher education, the school for the deaf shall consult with the institution and provide advice regarding the provision of services most appropriate to meet a student's needs.

SECTION 18. AMENDMENT. Section 54 of chapter 175 of the 2009 Session Laws is amended and reenacted as follows:

SECTION 54. TRANSPORTATION GRANTS - DISTRIBUTION.

1. During each year of the 2009-11 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
 - a. Ninety-two cents per mile for schoolbuses having a capacity of ten or more passengers;
 - b. Forty-four cents per mile for vehicles having a capacity of nine or fewer passengers; and
 - c. Twenty-four cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of the transportation formula as it existed on June 30, 2001.
3. If any moneys provided for transportation payments in the grants - transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall ~~prorate~~:
 - a. Reserve the first one million dollars, which is not subject to the provisions of section 54-44.1-11 and must be used to provide per student payments during the biennium beginning July 1, 2011, and ending June 30, 2013.
 - b. Prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

SECTION 19. AMENDMENT. Section 59 of chapter 175 of the 2009 Session Laws is amended and reenacted as follows:

SECTION 59. CONTINGENT MONEY - 2009-11.

1. In determining the availability of contingent money under this section, the superintendent of public instruction shall first add to the money in the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly, any money that was appropriated to the superintendent for special education contracts and which remains after the superintendent complied with all statutory special education contract payment obligations imposed for the biennium beginning July 1, 2009, and ending June 30, 2011.

2. If any money that was appropriated to the superintendent of public instruction for grants - state aid payments to school districts or added to the grants - state school aid line item in accordance with subsection 1 remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2009, and ending June 30, 2011, the superintendent shall use:
 - a. Reserve the first eight million dollars, which is not subject to the provisions of section 54-44.1-11 and must be used to provide per student payments during the biennium beginning July 1, 2011, and ending June 30, 2013.
 - b. Reserve the next five hundred thousand dollars, which is not subject to the provisions of section 54-44.1-11 and must be used in accordance with section 10 of this Act.
 - c. Use the money to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

SECTION 20. TRANSFER - NATIONAL BOARD CERTIFICATION FUND - GENERAL FUND. The office of management and budget shall transfer any balance remaining in the national board certification fund at the end of the 2011-13 biennium to the general fund. For purposes of this section, "at the end of the 2011-13 biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.

SECTION 21. LEGISLATIVE INTENT - 2013-15 SCHOOL FOR THE DEAF APPROPRIATION BILL. It is the intent of the sixty-second legislative assembly that the school for the deaf remain under the control of the superintendent of public instruction during the 2011-13 biennium and that the governor include the recommended funding for the school for the deaf in a separate draft appropriations act for introduction to the sixty-third legislative assembly.

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

15.1-02-02. Salary.

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

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

SECTION 24. EMERGENCY. Sections 6, 18, and 19 of this Act and \$21,517,716 appropriated in the education jobs fund line item in subdivision 1 of section 1 of this Act are declared to be an emergency measure.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-second Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2013 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 47 Nays 0 Absent 0

President of the Senate

Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 92 Nays 1 Absent 1

Speaker of the House

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2011.

Approved at _____ M. on _____, 2011.

Governor

Filed in this office this _____ day of _____, 2011,
at _____ o'clock _____ M.

Secretary of State