

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2013**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 public instruction, the state library, the school for the deaf, and the North Dakota vision
3 services - school for the blind; to amend and reenact section 15.1-02-02 of the North Dakota
4 Century Code, relating to the salary of the superintendent of public instruction; to provide for a
5 report to the legislative assembly; to provide for a legislative management study; to provide
6 exemptions; and to declare an emergency.

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 funds
9 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 state library, the school for the deaf,
12 and North Dakota vision services - school for the blind for the purpose of defraying the
13 expenses of those agencies, for the biennium beginning July 1, 2019, and ending June 30,
14 2021, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$17,439,176	\$511,859	\$17,951,035
19 Operating expenses	30,165,005	3,616,942	33,781,947
20 Integrated formula payments	1,750,204,163	348,398,266	2,098,602,429
21 Grants - special education	19,300,000	4,700,000	24,000,000
22 Grants - transportation	55,400,000	1,100,000	56,500,000
23 Grants - other grants	254,062,705	33,000,000	287,062,705

Sixty-sixth
Legislative Assembly

1	Grants - program grants	6,210,000	1,470,000	7,680,000
2	Grants - passthrough grants	2,898,000	(34,236)	2,863,764
3	PowerSchool	5,500,000	0	5,500,000
4	Transportation efficiency	30,000	(30,000)	0
5	National board certification	120,000	(12,000)	108,000
6	State automated reporting system	<u>0</u>	<u>1,200,000</u>	<u>1,200,000</u>
7	rewrite			
8	Total all funds	\$2,141,329,049	\$393,920,831	\$2,535,249,880
9	Less estimated income	<u>705,727,065</u>	<u>108,026,678</u>	<u>813,753,743</u>
10	Total general fund	\$1,435,601,984	\$285,894,153	\$1,721,496,137
11	Full-time equivalent positions	91.75	(3.00)	88.75
12	Subdivision 2.			
13	STATE LIBRARY			
14			Adjustments or	
15		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16	Salaries and wages	\$4,152,758	\$147,577	\$4,300,335
17	Operating expenses	1,604,075	17,842	1,621,917
18	Grants	<u>2,109,028</u>	<u>124,500</u>	<u>2,233,528</u>
19	Total all funds	\$7,865,861	\$289,919	\$8,155,780
20	Less estimated income	<u>2,247,560</u>	<u>126,801</u>	<u>2,374,361</u>
21	Total general fund	\$5,618,301	\$163,118	\$5,781,419
22	Full-time equivalent positions	28.75	(1.00)	27.75
23	Subdivision 3.			
24	SCHOOL FOR THE DEAF			
25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Salaries and wages	\$7,588,749	\$466,195	\$8,054,944
28	Operating expenses	2,026,543	(320,957)	1,705,586
29	Capital assets	158,678	270,000	428,678
30	Grants	<u>180,000</u>	<u>(140,000)</u>	<u>40,000</u>
31	Total all funds	\$9,953,970	\$275,238	\$10,229,208

Sixty-sixth
Legislative Assembly

1	Less estimated income	<u>2,465,444</u>	<u>234,914</u>	<u>2,700,358</u>
2	Total general fund	\$7,488,526	\$40,324	\$7,528,850
3	Full-time equivalent positions	45.61	(1.00)	44.61
4	Subdivision 4.			
5	NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND			
6			Adjustments or	
7		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8	Salaries and wages	\$4,660,995	\$274,296	\$4,935,291
9	Operating expenses	773,206	42,615	815,821
10	Capital assets	<u>39,192</u>	<u>260,500</u>	<u>299,692</u>
11	Total all funds	\$5,473,393	\$577,411	\$6,050,804
12	Less estimated income	<u>1,079,247</u>	<u>253,568</u>	<u>1,332,815</u>
13	Total general fund	\$4,394,146	\$323,843	\$4,717,989
14	Full-time equivalent positions	28.50	(0.60)	27.90

15 Subdivision 5.

16 BILL TOTAL

17			Adjustments or	
18		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
19	Grand total general fund	\$1,453,102,957	\$286,421,438	\$1,739,524,395
20	Grand total special funds	<u>711,519,316</u>	<u>108,641,961</u>	<u>820,161,277</u>
21	Grand total all funds	\$2,164,622,273	\$395,063,399	\$2,559,685,672

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

23 **SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time

24 funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the

25 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

26	<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
27	Department of public instruction		
28	Regional education association merger grants	\$100,000	\$0
29	North Dakota governor's school science, technology,	220,000	0
30	engineering, and mathematics programs		
31	English language learner grants	500,000	0

Sixty-sixth
Legislative Assembly

1	Rapid enrollment grants	6,000,000	0
2	Integrated formula payments	185,000,000	0
3	State automated reporting system rewrite	0	1,200,000
4	State school aid formula rewrite	<u>0</u>	<u>200,000</u>
5	Total department of public instruction -	\$191,820,000	\$1,400,000
6	all funds		
7	Total department of public instruction -	<u>191,820,000</u>	<u>1,200,000</u>
8	estimated income		
9	Total department of public instruction -	\$0	\$200,000
10	general fund		
11	School for the deaf		
12	Extraordinary repairs	\$675,000	\$250,000
13	Equipment	28,000	20,000
14	Video equipment and software	<u>30,000</u>	<u>0</u>
15	Total school for the deaf - estimated income	\$733,000	\$270,000
16	North Dakota vision services - school for the blind		
17	Special assessments payoff	\$10,000	\$0
18	Heating and cooling upgrade	35,500	0
19	Replace water line	60,000	0
20	Carpet and reception upgrade	30,000	0
21	West wing roof repair	0	39,000
22	Other repairs	0	18,500
23	Daily living skills area remodel	0	25,000
24	South wing restroom remodel	0	120,000
25	Garage door replacement	0	16,000
26	Gymnasium floor replacement	0	42,000
27	Adaptive technology equipment	<u>0</u>	<u>20,000</u>
28	Total school for the blind - estimated income	\$135,500	\$280,500
29	Grand total - all funds	\$192,688,500	\$1,950,500
30	Grand total - estimated income	<u>192,688,500</u>	<u>1,750,500</u>
31	Grand total - general fund	\$0	\$200,000

1 The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget
2 for the 2021-23 biennium. The department of public instruction, school for the deaf, and North
3 Dakota vision services - school for the blind shall report to the appropriations committees of the
4 sixty-seventh legislative assembly on the use of this one-time funding for the biennium
5 beginning July 1, 2019, and ending June 30, 2021.

6 **SECTION 3. APPROPRIATION - ESTIMATED INCOME - TUITION APPORTIONMENT.**

7 The sum of \$377,764,000, included in the integrated formula payments line item in
8 subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any
9 additional amount in the state tuition fund that becomes available for distribution to public
10 schools is appropriated to the department of public instruction for that purpose for the biennium
11 beginning July 1, 2019, and ending June 30, 2021.

12 **SECTION 4. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND.** The
13 estimated income line item in subdivision 1 of section 1 of this Act includes \$111,200,000 from
14 the foundation aid stabilization fund in the state treasury, of which \$110,000,000 is for integrated
15 formula payments and \$1,200,000 is for a rewrite of the state automated reporting system, for
16 the biennium beginning July 1, 2019, and ending June 30, 2021.

17 **SECTION 5. EXEMPTION - FUNDING TRANSFER - AUTHORIZATION.** Notwithstanding
18 section 54-16-04, the superintendent of public instruction may transfer up to \$4,000,000 from
19 the integrated formula payments line item to the grants - special education line item, for the
20 biennium beginning July 1, 2017, and ending June 30, 2019, for the purposes of providing
21 special education grants. The superintendent of public instruction shall notify the office of
22 management and budget of any transfer made pursuant to this section.

23 **SECTION 6. EXEMPTION - COMPUTER SCIENCE TRAINING FOR TEACHERS.** Up to
24 \$3,000,000 of the unexpended amount remaining from the appropriation for integrated formula
25 payments, as authorized in subdivision 1 of section 1 of chapter 12 of the 2017 Session Laws,
26 is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and
27 may be continued into the 2019-21 biennium for the purpose of providing computer science
28 training for teachers.

29 **SECTION 7. EXEMPTION - ADVANCED PLACEMENT PROGRAMS.** Up to \$600,000 of
30 the unexpended amount remaining from the appropriation for integrated formula payments, as
31 authorized in subdivision 1 of section 1 of chapter 12 of the 2017 Session Laws, is not subject

1 to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be
2 continued into the 2019-21 biennium for the purpose of providing advanced placement
3 examinations, advanced placement teacher training, and the college ready English and
4 mathematics programs.

5 **SECTION 8. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**

6 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may
7 expend funds included in the integrated formula payments and grants - special education
8 contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational
9 services that were due in the 2017-19 biennium but which were not filed, claimed, or properly
10 supported by the education provider until after June 30, 2019. To be reimbursed under this
11 section, claims must be properly supported and filed with the superintendent of public
12 instruction by June 30, 2020.

13 **SECTION 9. GRANTS - SPECIAL EDUCATION DEFICIENCY AUTHORIZATION.** If funds

14 provided to the superintendent of public instruction in subdivision 1 of section 1 of this Act for
15 grants - special education, for the biennium beginning July 1, 2019, and ending June 30, 2021,
16 are not sufficient to meet special education contract obligations, the superintendent of public
17 instruction shall request supplemental funding from the sixty-seventh legislative assembly.

18 **SECTION 10. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING -**
19 **DISTRIBUTION.**

- 20 1. The sum of \$800,000, included in the integrated formula payments line item in
21 subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts
22 or special education units for gifted and talented programs upon the submission of an
23 application that is approved in accordance with guidelines adopted by the
24 superintendent of public instruction. The superintendent of public instruction shall
25 encourage cooperative efforts for gifted and talented programs among school districts
26 and special education units.
- 27 2. State school aid payments for special education must be reduced by the amount of
28 matching funds required to be paid by school districts or special education units for
29 students participating in the Medicaid program. Special education funds equal to the
30 amount of the matching funds required to be paid by the school district or special

1 education unit must be paid by the superintendent of public instruction to the
2 department of human services on behalf of the school district or unit.

3 **SECTION 11. TRANSPORTATION GRANTS - DISTRIBUTION.**

4 1. During each year of the 2019-21 biennium, the superintendent of public instruction
5 shall calculate the payment to which each school district is entitled based on the state
6 transportation formula as it existed on June 30, 2001, except that the superintendent
7 shall provide reimbursement at the rate of:

8 a. One dollar and eleven cents per mile for school buses having a capacity of ten or
9 more passengers;

10 b. Fifty-two cents per mile for vehicles having a capacity of nine or fewer
11 passengers;

12 c. Fifty cents per mile, provided;

13 (1) The student being transported is a student with a disability, as defined in
14 chapter 15.1-32;

15 (2) The student's individualized education program plan requires that the
16 student attend a public or a nonpublic school located outside the student's
17 school district of residence;

18 (3) The student is transported by an adult member of the student's family;

19 (4) The student is transported in a vehicle furnished by the student's parents;

20 (5) The student's transportation is paid for by the student's parents; and

21 (6) The reimbursement does not exceed two round trips daily between the
22 student's home and school.

23 d. Fifty cents per mile, one way, provided:

24 (1) The student being transported resides more than two miles from the public
25 school that the student attends;

26 (2) The student is transported by an adult member of the student's family;

27 (3) The student is transported in a vehicle furnished by the student's parents;
28 and

29 (4) The student's transportation is paid for by the student's parents.

30 e. Thirty cents per student for each one-way trip.

1 2. The superintendent of public instruction shall use the latest available student
2 enrollment count in each school district in applying the provisions of subsection 1.

3 3. This section does not authorize the reimbursement of any costs incurred in providing
4 transportation for student attendance at extracurricular activities or events.

5 **SECTION 12. PROGRAM GRANT POOL - CONTINUING EDUCATION GRANTS -**

6 **FUNDING - DISTRIBUTION.** The grants - program grants line item in subdivision 1 of section 1
7 of this Act includes \$1,500,000 for a program grant pool. The superintendent of public
8 instruction shall use the funding provided for various grant programs, including up to \$125,000,
9 or so much of the sum as may be necessary, for continuing education grants, for the biennium
10 beginning July 1, 2019, and ending June 30, 2021.

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

14 a. (1) Be licensed to teach by the education standards and practices board;
15 (2) Have taught in this state during each of the last three school years; and
16 (3) Be enrolled at an institution of higher education in this state in either a
17 master of education program in educational leadership or a program leading
18 to a specialist diploma in educational leadership;

19 b. Be pursuing the requirements for a certificate in career development facilitation;
20 or

21 c. Be pursuing a school counselor credential.

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

26 **SECTION 13. PASSTHROUGH GRANTS - APPLICATION - DISTRIBUTION -**

27 **REPORTING.** The grants - passthrough grants line item in subdivision 1 of section 1 of this Act
28 includes \$2,863,764 for passthrough grants. The superintendent of public instruction shall
29 determine the manner in which each passthrough grant is distributed but no more than one-half
30 of the funding may be provided each year of the biennium. Annually grantees, as a condition of
31 receiving the grant, must establish performance measures to be reviewed by the superintendent

1 of public instruction. Grantees shall report annually to the superintendent of public instruction
2 regarding performance based on the measures. The superintendent may not distribute the grant
3 payment for the second year of the biennium until the grantee submits the annual report for the
4 first year of the biennium. The superintendent of public instruction shall report to the
5 appropriations committees of the sixty-seventh legislative assembly regarding funds granted,
6 performance measures established for each grantee, and whether grantees met performance
7 expectations.

8 **SECTION 14. REGIONAL EDUCATION ASSOCIATIONS - GRANTS- DISTRIBUTION.**

9 The integrated formula payments line item in subdivision 1 of section 1 of this Act includes
10 \$500,000 from the general fund for the purpose of providing annual grants to regional education
11 associations for the biennium beginning July 1, 2019, and ending June 30, 2021. An annual
12 grant of \$31,250 is provided to each regional education association that exists as of July 1,
13 2019. Regional education associations that merge during the 2019-21 biennium are entitled to
14 the annual grants that would have been paid to each of the member associations.

15 **SECTION 15. EXEMPTION - INDIRECT COST ALLOCATION.** Notwithstanding section
16 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its
17 operating account.

18 **SECTION 16. STATE AID TO PUBLIC LIBRARIES.** The grants line item in subdivision 2 of
19 section 1 of this Act includes \$1,737,528 for aid to public libraries, of which no more than one-
20 half may be expended during the fiscal year ending June 30, 2020.

21 **SECTION 17. EXEMPTION - SCHOOL FOR THE DEAF - HIGHER EDUCATION**

22 **INTERPRETER GRANT PROGRAM DISTRIBUTION.** The grants line item in subdivision 3 of
23 section 1 of this Act is for the purpose of providing grants to assist institutions under the control
24 of the state board of higher education with the cost of interpreters and real-time captioning for
25 students who are deaf or hard of hearing, for the biennium beginning July 1, 2019, and ending
26 June 30, 2021. Moneys appropriated for this program are not subject to section 54-44.1-11.
27 Funds must be distributed pursuant to the provisions of this section:

- 28 1. The school for the deaf shall develop a formula to determine the grant amount for
29 which an institution is eligible. The formula must be based on an uniform hourly
30 reimbursement.

- 1 2. To obtain a grant under this section, an institution shall submit to the school for the
- 2 deaf, at the time and in the manner directed by the school, invoices showing the
- 3 amount expended for interpreters and real-time captioning for students who are deaf
- 4 or hard of hearing.
- 5 3. The school for the deaf may not distribute more than fifty percent of the amount
- 6 appropriated during the first year of the biennium.
- 7 4. If any grant moneys remain undistributed at the end of the biennium, the school for the
- 8 deaf shall provide additional prorated grants to institutions that incurred, during the
- 9 biennium, hourly expenses in excess of the formula reimbursement level.
- 10 5. At the request of an institution under the control of the state board of higher education,
- 11 the school for the deaf shall consult with the institution and provide advice regarding
- 12 the provision of services most appropriate to meet a student's needs.

13 **SECTION 18. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **15.1-02-02. Salary.**

16 The annual salary of the superintendent of public instruction is ~~one hundred sixteen-~~
17 ~~thousand nine hundred three dollars through June 30, 2016, and one hundred twenty thousand~~
18 ~~four hundred ten dollars thereafter~~ one hundred twenty-two thousand eight hundred ten dollars
19 through June 30, 2020, and one hundred twenty-five thousand eight hundred eighty dollars
20 thereafter.

21 **SECTION 19. LEGISLATIVE MANAGEMENT STUDY.** During the 2019-20 interim, the
22 legislative management shall consider studying school transportation, including district routes,
23 expenditures, reimbursement, and possible efficiencies. The legislative management shall
24 report its findings and recommendations, together with any legislation necessary to implement
25 the recommendations, to the sixty-seventh legislative assembly.

26 **SECTION 20. EMERGENCY.** Section 5 of this Act is declared to be an emergency
27 measure.