

**Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019**

SENATE BILL NO. 2013
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the state library, the school for the deaf, and the North Dakota vision services - school for the blind; to amend and reenact sections 15.1-02-02, 15.1-18-10, and 15.1-21-02.6 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction, teaching licenses, and the North Dakota scholarship; to provide for a report to the legislative assembly; to provide for a legislative management study; to provide exemptions; 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 state library, the school for the deaf, and North Dakota vision services - school for the blind for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$17,439,176	\$587,859	\$18,027,035
Operating expenses	30,165,005	3,805,942	33,970,947
Integrated formula payments	1,750,204,163	347,998,266	2,098,202,429
Grants - special education	19,300,000	4,700,000	24,000,000
Grants - transportation	55,400,000	1,100,000	56,500,000
Grants - other grants	254,062,705	33,000,000	287,062,705
Grants - program grants	6,210,000	1,470,000	7,680,000
Grants - passthrough grants	2,898,000	(34,236)	2,863,764
PowerSchool	5,500,000	0	5,500,000
Transportation efficiency	30,000	(30,000)	0
National board certification	120,000	(12,000)	108,000
State automated reporting system rewrite	0	1,200,000	1,200,000
Total all funds	\$2,141,329,049	\$393,785,831	\$2,535,114,880
Less estimated income	<u>705,727,065</u>	<u>108,026,678</u>	<u>813,753,743</u>
Total general fund	\$1,435,601,984	\$285,759,153	\$1,721,361,137
Full-time equivalent positions	91.75	(2.50)	89.25

Subdivision 2.

STATE LIBRARY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,152,758	\$147,577	\$4,300,335
Operating expenses	1,604,075	17,842	1,621,917
Grants	<u>2,109,028</u>	<u>124,500</u>	<u>2,233,528</u>

Total all funds	\$7,865,861	\$289,919	\$8,155,780
Less estimated income	<u>2,247,560</u>	<u>126,801</u>	<u>2,374,361</u>
Total general fund	\$5,618,301	\$163,118	\$5,781,419
Full-time equivalent positions	28.75	(1.00)	27.75

Subdivision 3.

SCHOOL FOR THE DEAF

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,588,749	\$466,195	\$8,054,944
Operating expenses	2,026,543	(320,957)	1,705,586
Capital assets	158,678	270,000	428,678
Grants	<u>180,000</u>	<u>(140,000)</u>	<u>40,000</u>
Total all funds	\$9,953,970	\$275,238	\$10,229,208
Less estimated income	<u>2,465,444</u>	<u>234,914</u>	<u>2,700,358</u>
Total general fund	\$7,488,526	\$40,324	\$7,528,850
Full-time equivalent positions	45.61	(1.00)	44.61

Subdivision 4.

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,660,995	\$274,296	\$4,935,291
Operating expenses	773,206	42,615	815,821
Capital assets	<u>39,192</u>	<u>260,500</u>	<u>299,692</u>
Total all funds	\$5,473,393	\$577,411	\$6,050,804
Less estimated income	<u>1,079,247</u>	<u>253,568</u>	<u>1,332,815</u>
Total general fund	\$4,394,146	\$323,843	\$4,717,989
Full-time equivalent positions	28.50	(0.60)	27.90

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,453,102,957	\$286,286,438	\$1,739,389,395
Grand total special funds	<u>711,519,316</u>	<u>108,641,961</u>	<u>820,161,277</u>
Grand total all funds	\$2,164,622,273	\$394,928,399	\$2,559,550,672

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Department of public instruction		
Regional education association merger grants	\$100,000	\$0
North Dakota governor's school science, technology, engineering, and mathematics programs	220,000	0
English language learner grants	500,000	0
Rapid enrollment grants	6,000,000	0
Integrated formula payments	185,000,000	0
State automated reporting system rewrite	0	1,200,000

State school aid formula rewrite	<u>0</u>	<u>200,000</u>
Total department of public instruction - all funds	\$191,820,000	\$1,400,000
Total department of public instruction - estimated income	<u>191,820,000</u>	<u>1,200,000</u>
Total department of public instruction - general fund	\$0	\$200,000
School for the deaf		
Extraordinary repairs	\$675,000	\$250,000
Equipment	28,000	20,000
Video equipment and software	<u>30,000</u>	<u>0</u>
Total school for the deaf - estimated income	\$733,000	\$270,000
North Dakota vision services - school for the blind		
Special assessments payoff	\$10,000	\$0
Heating and cooling upgrade	35,500	0
Replace water line	60,000	0
Carpet and reception upgrade	30,000	0
West wing roof repair	0	39,000
Other repairs	0	18,500
Daily living skills area remodel	0	25,000
South wing restroom remodel	0	120,000
Garage door replacement	0	16,000
Gymnasium floor replacement	0	42,000
Adaptive technology equipment	<u>0</u>	<u>20,000</u>
Total school for the blind - estimated income	\$135,500	\$280,500
Grand total - all funds	\$192,688,500	\$1,950,500
Grand total - estimated income	<u>192,688,500</u>	<u>1,750,500</u>
Grand total - general fund	\$0	\$200,000

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

SECTION 3. APPROPRIATION - ESTIMATED INCOME - TUITION APPORTIONMENT. The sum of \$377,764,000, included in the integrated formula payments 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, 2019, and ending June 30, 2021.

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

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

SECTION 6. EXEMPTION - ADVANCED PLACEMENT PROGRAMS. Up to \$600,000 of the unexpended amount remaining from the appropriation for integrated formula payments, as authorized in subdivision 1 of section 1 of chapter 12 of the 2017 Session Laws, is not subject to the provisions of

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

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

SECTION 8. GRANTS - SPECIAL EDUCATION DEFICIENCY AUTHORIZATION. If funds provided to the superintendent of public instruction in subdivision 1 of section 1 of this Act for grants - special education, for the biennium beginning July 1, 2019, and ending June 30, 2021, are not sufficient to meet special education contract obligations, the superintendent of public instruction shall request supplemental funding from the sixty-seventh legislative assembly.

SECTION 9. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING - DISTRIBUTION.

1. The sum of \$800,000, included in the integrated formula payments 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 10. TRANSPORTATION GRANTS - DISTRIBUTION.

1. During each year of the 2019-21 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. One dollar and eleven cents per mile for school buses having a capacity of ten or more passengers;
 - b. Fifty-two cents per mile for vehicles having a capacity of nine or fewer passengers;
 - c. Fifty cents per mile, provided;
 - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
 - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
 - (3) The student is transported by an adult member of the student's family;
 - (4) The student is transported in a vehicle furnished by the student's parents;

- (5) The student's transportation is paid for by the student's parents; and
- (6) The reimbursement does not exceed two round trips daily between the student's home and school.
- d. Fifty cents per mile, one way, provided:
 - (1) The student being transported resides more than two miles from the public school that the student attends;
 - (2) The student is transported by an adult member of the student's family;
 - (3) The student is transported in a vehicle furnished by the student's parents; and
 - (4) The student's transportation is paid for by the student's parents.
- e. Thirty 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 subsection 1.
- 3. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

SECTION 11. PROGRAM GRANT POOL - CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION. The grants - program grants line item in subdivision 1 of section 1 of this Act includes \$1,500,000 for a program grant pool. The superintendent of public instruction shall use the funding provided for various grant programs, including up to \$125,000, or so much of the sum as may be necessary, for continuing education grants, for the biennium beginning July 1, 2019, and ending June 30, 2021.

- 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. PASSTHROUGH GRANTS - APPLICATION - DISTRIBUTION - REPORTING. The grants - passthrough grants line item in subdivision 1 of section 1 of this Act includes \$2,863,764 for passthrough grants. The superintendent of public instruction shall determine the manner in which each passthrough grant is distributed but no more than one-half of the funding may be provided each year of the biennium. Annually grantees, as a condition of receiving the grant, must establish performance measures to be reviewed by the superintendent of public instruction. Grantees shall report annually to the superintendent of public instruction regarding performance based on the measures. The superintendent may not distribute the grant payment for the second year of the biennium until the

grantee submits the annual report for the first year of the biennium. The superintendent of public instruction shall report to the appropriations committees of the sixty-seventh legislative assembly regarding funds granted, performance measures established for each grantee, and whether grantees met performance expectations.

SECTION 13. REGIONAL EDUCATION ASSOCIATIONS - GRANTS- DISTRIBUTION. The integrated formula payments line item in subdivision 1 of section 1 of this Act includes \$500,000 from the general fund for the purpose of providing annual grants to regional education associations for the biennium beginning July 1, 2019, and ending June 30, 2021. An annual grant of \$35,714 is provided to each regional education association that exists as of July 1, 2019. Regional education associations that merge during the 2019-21 biennium are entitled to the annual grants that would have been paid to each of the member associations.

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

SECTION 15. STATE AID TO PUBLIC LIBRARIES. The grants line item in subdivision 2 of section 1 of this Act includes \$1,737,528 for aid to public libraries, of which no more than one-half may be expended during the fiscal year ending June 30, 2020.

SECTION 16. EXEMPTION - SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT PROGRAM DISTRIBUTION. The grants line item 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, 2019, and ending June 30, 2021. Moneys appropriated for this program are not subject to section 54-44.1-11. Funds must 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 an 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 17. 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 ~~one hundred sixteen thousand nine hundred three dollars through June 30, 2016, and one hundred twenty thousand four hundred ten dollars thereafter~~ one hundred twenty-two thousand eight hundred ten dollars through June 30, 2020, and one hundred twenty-five thousand eight hundred eighty dollars thereafter.

SECTION 18. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-18-10. Specialty areas - Teacher qualification.

Notwithstanding the requirements of this chapter:

1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and technology education at any grade level from kindergarten through grade eight, provided the individual:
 - a. Is licensed to teach by the education standards and practices board;
 - b. Is approved to teach in that area by the education standards and practices board; and
 - c. Meets all requirements set forth in rule by the superintendent of public instruction.
2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.
3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.
4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:
 - a. Has a permit issued by the board and has a high school diploma; and
 - b. (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught; or
 - (2) Possesses a certificate, permit, or degree in the subject area to be taught; ~~or~~
 - (3) ~~Achieves a passing score on the Praxis content test.~~

SECTION 19. AMENDMENT. Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

15.1-21-02.6. North Dakota scholarship - Amount - Applicability.

1.
 - a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state, maintains a cumulative grade point average of 2.75, and maintains progress toward degree completion.
 - b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state, maintains a cumulative grade point average of 2.75, and maintains progress toward degree completion.
2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student

has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.

3. A student is not entitled to receive more than six thousand dollars under this section.
4. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
5.
 - a. (1) This section does not require a student to be enrolled in consecutive semesters.
 - (2) This section does not require a student to be enrolled in consecutive quarters.
 - b. A scholarship under this section is valid only for six academic years after the student's graduation from high school and may be applied to a graduate program.
6. A scholarship under this section is available to any eligible resident student who fulfills the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who:
 - a. Graduates from a high school in this state;
 - b. Graduates from a high school in a bordering state under chapter 15.1-29;
 - c. Graduates from a nonpublic high school in a bordering state while residing with a custodial parent in this state; or
 - d. Completes a program of home education supervised in accordance with chapter 15.1-23.
7.
 - a. For purposes of North Dakota scholarship eligibility under this section, "full-time" has the same meaning as the term is defined by the institution the student is attending.
 - b. A student who is enrolled less than full-time may retain scholarship eligibility if the student is in the final semester or quarter before graduation. The waiver of the full-time enrollment status requirement for scholarship eligibility may not apply to a student more than once.
 - c. For the purpose of North Dakota scholarship eligibility under this section, "progress toward degree completion" means earning the following minimum number of credits after each semester or quarter term disbursement to qualify for the subsequent disbursement:
 - (1) Twenty-four credits after disbursement two;
 - (2) Thirty-nine credits after disbursement three;
 - (3) Fifty-four credits after disbursement four;
 - (4) Sixty-nine credits after disbursement five;
 - (5) Eighty-four credits after disbursement six; and
 - (6) Ninety-nine credits after disbursement seven.

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

SECTION 21. LEGISLATIVE MANAGEMENT STUDY - DUAL-CREDIT - ADVANCED PLACEMENT - DISTANCE EDUCATION COURSES. During the 2019-20 interim, the legislative management shall consider studying dual-credit, advanced placement, and distance education courses.

The study must include a review of early enrollment placement testing and the qualifications for dual-credit and advanced placement courses. The study also must include a review of the costs and amounts of funding necessary to provide all students access to dual-credit, advanced placement, and distance education courses, as well as the types of courses available and the delivery methods necessary to provide all students with access. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 22. EMERGENCY. Section 5 of this Act is 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-sixth 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 77 Nays 14 Absent 3

Speaker of the House

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2019.

Approved at _____ M. on _____, 2019.

Governor

Filed in this office this _____ day of _____, 2019,
at _____ o'clock _____ M.

Secretary of State