

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1013

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 center for distance education, the state library, the school for the deaf,
3 and North Dakota vision services - school for the blind; to amend and reenact section
4 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of
5 public instruction; to provide for a transfer; to provide a report; and to provide an exemption.

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

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from other funds derived from special funds and
10 federal funds, to the department of public instruction, the center for distance education, the
11 state library, the school for the deaf, and North Dakota vision services - school for the blind for
12 the purpose of defraying the expenses of those agencies, for the biennium beginning July 1,
13 2025, and ending June 30, 2027, as follows:

14 Subdivision 1.

15 DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16			
17			
18	Salaries and wages	\$1,121,603	\$21,086,368
19	New and vacant FTE pool	695,495	695,495
20	Operating expenses	9,718,204	42,511,524

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1	Integrated formula payments	2,299,674,851	116,655,489	2,416,330,340
2	Grants - special education	24,000,000	0	24,000,000
3	Grants - transportation	58,100,000	5,400,000	63,500,000
4	Grants - other grants	382,738,893	29,705,709	412,444,602
5	Grants - program grants	17,205,000	7,011,027	24,216,027
6	Grants - passthrough grants	3,569,000	12,266,000	15,835,000
7	PowerSchool	5,775,000	(5,775,000)	0
8	Student information systems	0	5,775,000	5,775,000
9	National board certification	<u>176,290</u>	<u>0</u>	<u>176,290</u>
10	Total all funds	\$2,843,997,119	\$182,573,527	\$3,026,570,646
11	Less other funds	<u>1,115,246,674</u>	<u>176,835,668</u>	<u>1,292,082,342</u>
12	Total general fund	\$1,728,750,445	\$5,737,859	\$1,734,488,304
13	Full-time equivalent positions	86.25	0.00	86.25

14 Subdivision 2.

CENTER FOR DISTANCE EDUCATION

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Center for distance education	\$11,613,483	\$2,966,477	\$14,579,960
19	New and vacant FTE pool	<u>0</u>	<u>361,061</u>	<u>361,061</u>
20	Total all funds	\$11,613,483	\$3,327,538	\$14,941,021
21	Less other funds	<u>4,550,000</u>	<u>1,974,000</u>	<u>6,524,000</u>
22	Total general fund	\$7,063,483	\$1,353,538	\$8,417,021
23	Full-time equivalent positions	30.80	1.20	32.00

24 Subdivision 3.

STATE LIBRARY

26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Salaries and wages	\$4,615,731	\$500,120	\$5,115,851
29	New and vacant FTE pool	0	107,552	107,552
30	Operating expenses	2,282,298	707,777	2,990,075
31	Grants	<u>2,283,528</u>	<u>0</u>	<u>2,283,528</u>

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1	Total all funds	\$9,181,557	\$1,315,449	\$10,497,006
2	Less other funds	<u>2,499,073</u>	<u>305,139</u>	<u>2,804,212</u>
3	Total general fund	\$6,682,484	\$1,010,310	\$7,692,794
4	Full-time equivalent positions	26.75	0.00	26.75
5	Subdivision 4.			

SCHOOL FOR THE DEAF

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Salaries and wages	\$9,283,599	\$735,225	\$10,018,824
10	New and vacant FTE pool	0	415,571	415,571
11	Operating expenses	1,705,586	320,839	2,026,425
12	Capital assets	<u>158,678</u>	<u>283,800</u>	<u>442,478</u>
13	Total all funds	\$11,147,863	\$1,755,435	\$12,903,298
14	Less other funds	<u>2,811,557</u>	<u>360,186</u>	<u>3,171,743</u>
15	Total general fund	\$8,336,306	\$1,395,249	\$9,731,555
16	Full-time equivalent positions	45.36	1.50	46.86
17	Subdivision 5.			

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Salaries and wages	\$5,538,818	\$241,078	\$5,779,896
22	New and vacant FTE pool	0	121,985	121,985
23	Operating expenses	869,686	406,571	1,276,257
24	Capital assets	<u>39,192</u>	<u>230,808</u>	<u>270,000</u>
25	Total all funds	\$6,447,696	\$1,000,442	\$7,448,138
26	Less other funds	<u>1,206,705</u>	<u>534,239</u>	<u>1,740,944</u>
27	Total general fund	\$5,240,991	\$466,203	\$5,707,194
28	Full-time equivalent positions	27.75	0.00	27.75
29	Subdivision 6.			

TOTAL - SECTION 1

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		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Grand total all funds	\$2,882,387,718	\$189,972,391 \$3,072,360,109
4	Less grand total other funds	<u>1,126,314,009</u>	<u>180,009,232</u> <u>1,306,323,241</u>
5	Grand total general fund	\$1,756,073,709	\$9,963,159 \$1,766,036,868

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

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in each entity's base budget for the 2027-29 biennium and which each entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
11			
12	Department of Pubic Instruction		
13	Science center grants	\$0	\$10,000,000 \$10,000,000
14	Teacher retention program	0	2,500,000 2,500,000
15	School board training	0	1,500,000 1,500,000
16	Native American essential	0	950,000 950,000
17	understandings and book series		
18	Statewide reading tool	500,000	0 500,000
19	Dyslexia training		300,000 300,000
20	Assistive technology and	<u>250,000</u>	<u>0</u> <u>250,000</u>
21	curriculum pilot		
22	Total department of public instruction	\$750,000	\$15,250,000 \$16,000,000
23	Center for Distance Education		
24	Information technology equipment	\$0	\$25,000 \$25,000
25	Student information system upgrade	<u>75,250</u>	<u>0</u> <u>75,250</u>
26	Total center for distance education	\$75,250	\$25,000 \$100,250
27	School for the Deaf		
28	Equipment replacement	\$0	\$45,000 \$45,000
29	Campus security upgrades	<u>0</u>	<u>238,800</u> <u>238,800</u>
30	Total school for the deaf	\$0	\$283,800 \$283,800
31	North Dakota vision services - School for the Blind		

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1	Equipment less than \$5,000	\$0	\$28,000	\$28,000
2	Door replacement	0	10,000	10,000
3	Breakroom remodel	0	55,000	55,000
4	Kitchen cabinet replacement	0	55,000	55,000
5	South parking lot replacement	<u>0</u>	<u>150,000</u>	<u>150,000</u>
6	Total school for the blind	<u>\$0</u>	<u>\$298,000</u>	<u>\$298,000</u>
7	Grand total	\$825,250	\$15,856,800	\$16,682,050

8 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
 9 department of public instruction, center for distance education, state library, school for the deaf,
 10 and North Dakota vision services - school for the blind may not spend funds appropriated in the
 11 new and vacant FTE pool line item in section 1 of this Act, but may request the office of
 12 management and budget to transfer funds from the new and vacant FTE pool line item to the
 13 salaries and wages line item or the center for distance education line item within each
 14 respective subdivision in accordance with the guidelines and reporting provisions included in
 15 House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

16 **SECTION 4. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION -**
 17 **ELECTRONIC DEVICE STORAGE GRANTS - ONE-TIME FUNDING.** There is appropriated
 18 out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum
 19 of \$1,500,000, or so much of the sum as may be necessary, to the department of public
 20 instruction for the purpose of providing electronic device storage grants to school districts for
 21 the biennium beginning July 1, 2025, and ending June 30, 2027. Upon request of the board of a
 22 school district, the department shall reimburse the school district for the cost of acquiring secure
 23 containers for storing each student's personal electronic device in accordance with the school
 24 district's established plan. Reimbursements to school districts must be provided based on the
 25 cost of a selected approved product, but may not exceed thirty dollars per student subject to the
 26 school district's plan. The appropriation provided in this section is considered a one-time
 27 funding item.

28 **SECTION 5. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$595,677,350,
 29 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is
 30 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund
 31 that becomes available for distribution to public schools is appropriated to the department of

1 public instruction for that purpose for the biennium beginning July 1, 2025, and ending June 30,
2 2027.

3 **SECTION 6. OTHER FUNDS - FOUNDATION AID STABILIZATION FUND.** The other
4 funds line item in subdivision 1 of section 1 of this Act includes the sum of \$219,250,000 from
5 the foundation aid stabilization fund for integrated formula payments, various program grants,
6 and a Native American program and textbook.

7 **SECTION 7. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**
8 The other funds line item in subdivision 1 of section 1 of this Act includes the sum of
9 \$10,000,000 from the strategic investment and improvements fund for science center grants.

10 **SECTION 8. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**
11 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may
12 expend funds included in the integrated formula payments and grants - special education
13 contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational
14 services that were due in the 2023-25 biennium but which were not filed, claimed, or properly
15 supported by the education provider until after June 30, 2025. To be reimbursed under this
16 section, claims must be properly supported and filed with the superintendent of public
17 instruction by June 30, 2026.

18 **SECTION 9. GIFTED AND TALENTED PROGRAM.** The sum of \$800,000, included in the
19 integrated formula payments line item in subdivision 1 of section 1 of this Act, must be
20 distributed to reimburse school districts or special education units for gifted and talented
21 programs upon the submission of an application that is approved in accordance with guidelines
22 adopted by the superintendent of public instruction. The superintendent of public instruction
23 shall encourage cooperative efforts for gifted and talented programs among school districts and
24 special education units.

25 **SECTION 10. MEDICAID MATCHING FUNDING - WITHHOLDING AND DISTRIBUTION.**
26 State school aid payments for special education must be reduced by the amount of matching
27 funds required to be paid by school districts or special education units for students participating
28 in the Medicaid program for the biennium beginning July 1, 2025, and ending June 30, 2027.
29 Special education funds equal to the amount of the matching funds required to be paid by the
30 school district or special education unit must be paid by the superintendent of public instruction
31 to the department of health and human services on behalf of the school district or unit.

1 **SECTION 11. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.**

2 The integrated formula payments line item in subdivision 1 of section 1 of this Act includes
3 \$700,000 from the general fund for the purpose of providing annual grants to regional education
4 associations, for the biennium beginning July 1, 2025, and ending June 30, 2027. An annual
5 grant of \$50,000 is provided to each regional education association that exists as of July 1,
6 2025. Regional education associations that merge during the 2025-27 biennium are entitled to
7 the annual grants that would have been paid to each of the member associations.

8 **SECTION 12. STUDENT MEALS - GRANTS - DISTRIBUTION.** The grants - program
9 grants line item in subdivision 1 of section 1 of this Act includes \$4,500,000 from the general
10 fund for the purpose of providing grants to school districts to defray the expenses of providing
11 meals, free of charge, for all students enrolled in public or nonpublic school at or below
12 two hundred twenty-five percent of the federal poverty guideline, for the biennium beginning
13 July 1, 2025, and ending June 30, 2027. The superintendent of public instruction shall develop
14 guidelines and reporting requirements for the grants.

15 **SECTION 13. PARAPROFESSIONAL-TO-TEACHER PROGRAM - GRANTS -**
16 **DISTRIBUTION.** The grants - program grants line item in subdivision 1 of section 1 of this Act
17 includes \$3,000,000 from the general fund for the purpose of providing grants to accredited
18 institutions of higher education to assist paraprofessionals to become qualified teachers, for the
19 biennium beginning July 1, 2025, and ending June 30, 2027. The superintendent of public
20 instruction may award up to \$20,000 to each qualifying institution for program startup and other
21 administrative costs and the remainder of the appropriation may be used only for tuition and
22 scholarships for students enrolled in the program. The superintendent of public instruction may
23 establish policies and procedures to administer this program.

24 **SECTION 14. NORTH DAKOTA GOVERNOR'S SCHOOLS - GRANTS - DISTRIBUTION.**
25 The grants - passthrough grants line item in subdivision 1 of section 1 of this Act includes
26 \$500,000 from the general fund for the purpose of providing grants for North Dakota governor's
27 schools at North Dakota state university and university of North Dakota, for the biennium
28 beginning July 1, 2025, and ending June 30, 2027.

29 1. The superintendent of public instruction shall conduct North Dakota governor's
30 schools once a summer alternating annually between North Dakota state university
31 and university of North Dakota.

- 1 2. The superintendent of public instruction shall award the grants based on providing an
- 2 average cost of \$5,000 per student attending the schools each year not to exceed a
- 3 total of \$250,000 to each university for each year of the biennium.
- 4 3. The governor's schools program must provide programs related to science,
- 5 technology, engineering, mathematics, energy law, mental health, education, and
- 6 health sciences.
- 7 4. The superintendent of public instruction shall name codirectors at each university to
- 8 ensure continued collaboration of the schools at both campuses.
- 9 5. Funds may be used only for defraying expenses for students while on campus,
- 10 including housing, dining, resident assistants, program directors, instructors, and
- 11 faculty research sponsors.

12 **SECTION 15. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL**
13 **EDUCATIONAL DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS.**

14 Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect
15 cost recoveries in its operating account. In addition, any moneys collected by the department of
16 public instruction for general educational development fees and displaced homemakers
17 deposits must be deposited in the public instruction fund in the state treasury. Any funds
18 deposited in the public instruction fund may only be spent subject to appropriation by the
19 legislative assembly.

20 **SECTION 16. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER -**
21 **GENERAL FUND.** Notwithstanding section 54-44.1-11, if, after the superintendent of public
22 instruction complies with all statutory payment obligations imposed for the 2023-25 biennium,
23 from any moneys remaining in the integrated formula payments line item in subdivision 1 of
24 section 1 of chapter 45 of the 2023 Session Laws, the lesser of \$11,165,000 or the remaining
25 amount must be continued into the 2025-27 biennium and the office of management and budget
26 shall transfer this amount into the public instruction fund for the purpose of providing program
27 and passthrough grants as appropriated in subdivision 1 of section 1 of this Act. The
28 superintendent of public instruction shall transfer any of these funds remaining unspent at the
29 end of the 2025-27 biennium to the general fund.

30 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS - DEPARTMENT OF**
31 **PUBLIC INSTRUCTION.** The following appropriations to the department of public instruction

1 are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium
2 beginning July 1, 2025, and ending June 30, 2027:

- 3 1. Any funds remaining from federal funds derived from the elementary and secondary
4 school emergency education relief fund and any other federal funds appropriated in
5 subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
- 6 2. Any funds remaining from special funds from the public instruction fund in the state
7 treasury, derived from reimbursements withheld from school districts' integrated
8 formula payments for the purpose of information technology project upgrades to the
9 state automated reporting system and the statewide longitudinal data system,
10 appropriated in section 17 of chapter 549 of the 2021 Special Session Session Laws.

11 **SECTION 18. EXEMPTION - UNEXPENDED APPROPRIATION - STATE LIBRARY.** The
12 sum of \$150,000, appropriated from the general fund to the state library for building renovations
13 in subdivision 3 of section 1 of chapter 45 of the 2023 Session Laws, is not subject to the
14 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for
15 building renovations during the biennium beginning July 1, 2025, and ending June 30, 2027.

16 **SECTION 19. EXEMPTION - UNEXPENDED APPROPRIATIONS - SCHOOL FOR THE**
17 **DEAF.** The sum of \$800,000, appropriated from special funds, derived from trust fund
18 distributions, rents, and service revenue, to the school for the deaf for boiler replacement,
19 pneumatic controls, and a fire alarm system in subdivision 4 of section 1 of chapter 45 of the
20 2023 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended
21 funds from this appropriation are available for boiler replacement, pneumatic controls, and a fire
22 alarm system during the biennium beginning July 1, 2025, and ending June 30, 2027.

23 **SECTION 20. STATE AID TO PUBLIC LIBRARIES.** The grants line item in subdivision 3 of
24 section 1 of this Act includes \$1,737,582 for aid to public libraries, of which no more than
25 one-half may be expended during the fiscal year ending June 30, 2026.

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

28 **15.1-02-02. Salary.**

29 The annual salary of the superintendent of public instruction is ~~one hundred thirty-eight~~
30 ~~thousand one hundred forty-two~~ one hundred forty-seven thousand nine hundred seventy-eight

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- 1 dollars through June 30, ~~2024~~2026, and one hundred forty-three thousand six hundred
- 2 ~~sixty-eight~~one hundred fifty-two thousand four hundred seventeen dollars thereafter.