

**Department 201 - Department of Public Instruction
House Bill No. 1013**

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	131.95	\$550,821,984	\$237,017,455	\$787,839,439
1999-2001 Legislative Appropriations	131.95	547,053,909	204,269,173	751,323,082 ¹
Increase (Decrease)	0.00	\$3,768,075	\$32,748,282	\$36,516,357

2001-03 Hoeven Executive Budget	131.95	\$570,605,949	\$237,044,955	\$807,650,904
Hoeven Increase (Decrease) to Schafer	0.00	\$19,783,965	\$27,500	\$19,811,465

¹ The 1999-2001 appropriation amounts include \$191,664, of which \$67,082 is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$7,902, of which \$1,182 is from the general fund, for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include additional other funds spending authority of \$1,736,469 authorized by the Emergency Commission during the 1999-2001 biennium and general fund spending authority of \$70,400 carried over from the 1997-99 biennium pursuant to Section 12 of 1999 Senate Bill No. 2013.

Major Schafer Recommendations Affecting Department of Public Instruction 2001-03 Budget

	General Fund	Other Funds	Total
Grants			
1. Increases by 1.4 percent, from \$479,006,259 to \$485,542,761, funding for foundation aid (including transportation aid and payments for limited English proficient students).	\$6,536,502		\$6,536,502
2. Increases by 25.6 percent, from \$53,528,217 to \$67,239,025, spending authority for tuition fund payments to schools to reflect the executive recommendation that the Board of University and School Lands distribute all income relating to tobacco settlement proceeds deposited in the common schools trust fund.		\$13,710,808	\$13,710,808
3. Increases by 11.3 percent, from \$3.1 million to \$3.45 million, funding for supplemental revenue payments to schools pursuant to North Dakota Century Code Section 15-40.1-07.8.	\$350,000		\$350,000
4. Increases by 10 percent, from \$46.6 million to \$51.26 million, funding for general fund special education grants.	\$4,660,000		\$4,660,000
5. Removes funding for supplemental payments to certain districts with declining enrollment and to all districts on the basis of average daily membership (ADM) (1999 Senate Bill No. 2162).	(\$3,500,000)		(\$3,500,000)
6. Removes funding for grants to the SENDIT computer network (a general fund appropriation of \$1,973,669 is included in the recommended appropriation for the Information Technology Department).	(\$496,669)	(\$50,000)	(\$546,669)
7. Removes funding for general fund grants distributed by the Educational Telecommunications Council (a general fund appropriation of \$3.5 million is included in the recommended appropriation for the Information Technology Department).	(\$6,000,000)		(\$6,000,000)

8. Provides funding for a grant to the quality schools fund, which is also appropriated in House Bill No. 1157 to the Quality Schools Commission for expenses of the commission in implementing a quality assessment process for North Dakota elementary and secondary schools.	\$575,192	\$575,192
9. Increases, from \$145,000 to \$205,000, funding for the Governor's school program.	\$60,000	\$60,000
10. Increases, from \$20,000 to \$33,000, funding for the teacher certification program.	\$13,000	\$13,000
11. Increases, from \$23,780 to \$33,117, funding for FINDET to replace federal school-to-work funds which were previously used to support the program but are no longer available.	\$9,337	\$9,337
12. Increases by 8.3 percent, from \$135.3 million (adjusted appropriation amount) to \$146.5 million, federal funding for grants to reflect changes in the following federal programs:		
School food services	(\$2,234,250)	(\$2,234,250)
Class-size reduction	941,892	941,892
Adult education	624,563	624,563
Aids prevention programs	260,500	260,500
Special education - Individuals With Disabilities Education Act (IDEA) Part B	6,280,852	6,280,852
Special education - IDEA Part D	(250,000)	(250,000)
Special education - Preschool programs	260,893	260,893
Special education - State improvement	600,000	600,000
Title I	5,137,671	5,137,671
Drug-free schools	(653,244)	(653,244)
Other	267,633	267,633
Total federal grants changes	<u>\$11,236,510</u>	<u>\$11,236,510</u>

Operating expenses

13. Removes funding for dues to the Education Commission of the States.	(\$40,000)	(\$40,000)
14. Increases federal funds spending authority to reflect a federal grant anticipated to be available to fund information technology improvements relating to school nutrition programs.	\$150,000	\$150,000
15. Provides funding for the development of a student data base.	\$412,500	\$412,500
16. Provides funding to reflect an anticipated increase, from \$403,643 to \$453,643, in costs relating to the standardized achievement testing program.	\$50,000	\$50,000
17. Increases, from \$1.3 million to \$6.8 million, federal funds spending authority for operating expenses for the school improvement division to reflect federal grants anticipated to be available to contract with teachers for the development of curriculum and instructional strategies, to provide professional development for teachers, and for other school improvement activities.	\$5,498,776	\$5,498,776
18. Provides funding for the design and implementation of a standards-based assessment program for reading and mathematics for students in grades 4, 8, and 12, as required to allow the state to continue receiving federal Title I funding.	\$836,000	\$836,000
19. Decreases by 4.4 percent, from \$1,773,201 to \$1,695,713, funding for operating expenses of the Division of Independent Study.	(\$77,488)	(\$77,488)

Salaries and wages

20. Provides funding for an equity salary increase of \$522 per month for the Superintendent of Public Instruction effective January 1, 2002 (the amount included in the executive budget is \$3,549 more than the required amount of \$10,979).	\$14,528		\$14,528
21. Provides funding for salary equity adjustments, in addition to the executive budget compensation package, to increase salaries to new pay range minimums established by Central Personnel.	\$405	\$31,382	\$31,787

Other

22. Increases by 7.7 percent, from \$496,036 to \$534,140, funding for equipment (\$59,228 increase for the Division of Independent Study; \$21,124 decrease for all other divisions).	(\$11,274)	\$49,378	\$38,104
23. Provides funding to resurface the roof of the Division of Independent Study building.	\$27,500	\$27,500	\$55,000

**Major Hoeven Recommendations Affecting Department of Public Instruction 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)**

	General Fund	Other Funds	Total
1. Decreases foundation aid to provide funding for the proposed FTE payment program. (Compared to the Schafer executive budget, per student payments are decreased the first year of the biennium from \$2,323 to \$2,240 and the second year from \$2,420 to \$2,250.)	(\$27,876,613)		(\$27,876,613)
2. Decreases special education aid to provide funding for the proposed FTE payment program.	(\$1,361,305)		(\$1,361,305)
3. Removes funding for the Quality Schools Commission. (The appropriation is reduced to \$505,192 and is transferred to the Governor's office. The Office of Management and Budget has indicated that the \$70,000 reduction is for data gathering services and is included in the recommended appropriation for the Information Technology Department.)	(\$575,192)		(\$575,192)
4. Removes funding for the development of a student data base. (The Office of Management and Budget has indicated that the recommended appropriation for the Information Technology Department now includes funding for this project.)	(\$412,500)		(\$412,500)
5. Adds funding to restore operating expenses to the amount included in the agency's base budget request. (The funding was transferred from operating expenses to capital improvements in the Schafer recommendation.)		\$27,500	\$27,500
6. Adds funding for a proposed FTE payment program, whereby school districts will receive payments of \$2,000 and \$3,500 the first and second years of the 2001-03 biennium, respectively, for each teacher and administrator in the school district.	\$50,009,575		\$50,009,575

Major Legislation Affecting the Department of Public Instruction

House Bill No. 1141 - Reorganization bonuses - This bill provides that school districts may receive an advance of \$15,000 per district for the purpose of studying and planning for reorganization. If the districts reorganize, the money advanced will be deducted from their reorganization bonus. If the districts do not reorganize, the money advanced does not have to be repaid. The bill also provides that reorganization bonuses for the 2001-03 biennium will be paid from moneys appropriated by the 2001 Legislative Assembly for foundation aid if money is available after all statutory obligations have been met. Reorganization bonus payments are limited to a total of \$5 million for the biennium and no more than \$500,000 per reorganized district.

House Bill No. 1145 - Weighting factors - This bill adjusts the weighting factors used to distribute foundation aid payments. The intent of the executive recommendation is to adjust weighting factors for the first year of the 2001-03 biennium by 85 percent of the difference between the statutory factor and the factor representing the five-year average cost of education, as determined by the Department of Public Instruction. Weighting factors for the second year of the biennium are intended to be the factor representing the five-year average cost of education. Current law provides that weighting factors are adjusted by 75 percent of the difference between the statutory factor and the five-year average cost of education.

House Bill No. 1146 - Per student payments - This bill increases per student foundation aid payments from \$2,230 in 2000-01 to \$2,323 in 2001-02 and to \$2,420 in 2002-03.

House Bill No. 1157 - Quality Schools Commission - This bill establishes a Quality Schools Commission to implement and direct a quality assessment process for elementary and secondary schools in the state. The bill also creates a quality schools fund and appropriates to the commission \$575,192 from the fund.

House Bill No. 1188 - Transportation - This bill increases payments for family transportation and provides that the department will not reimburse school districts for the transportation of a student whose one-way schoolbus route is in excess of one hour.

Senate Bill No. 2200 - Reorganization bonuses - This bill excludes \$2 million from the amount to be distributed from unspent foundation aid at the end of the 1999-2001 biennium and provides a general fund appropriation of \$3 million for the 2001-03 biennium for reorganization bonus payments to qualifying school districts.