

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1013 - Funding Summary**

	Executive Budget	Final Legislative Action	Comparison To Executive Budget
Information Technology Department			
Salaries and wages		\$3,257,968	\$3,257,968
Operating expenses		1,718,498	1,718,498
Equipment		190,000	190,000
Capital improvements		55,000	55,000
Total all funds	\$0	\$5,221,466	\$5,221,466
Less estimated income	0	4,353,250	4,353,250
General fund	\$0	\$868,216	\$868,216
FTE	0.00	37.70	37.70
Department of Public Instruction			
Salaries and wages	\$12,273,865	\$8,985,148	(\$3,288,717)
Operating expenses	17,431,193	15,310,080	(2,121,113)
Equipment	534,140	344,140	(190,000)
Capital improvements	55,000		(55,000)
Grants - Foundation aid & transportation	485,542,761	473,971,648	(11,571,113)
Grants - Teacher compensation payments		35,036,000	35,036,000
Grants - Revenue supplement payments	3,450,000	2,200,000	(1,250,000)
Grants - Tuition apportionment	67,239,025	67,239,025	
Grants - Special education	51,260,000	49,898,695	(1,361,305)
Grants - Other grants	149,970,455	149,420,263	(550,192)
Geographic education	50,000	100,000	50,000
National board certification	33,000		(33,000)
Total all funds	\$787,839,439	\$802,504,999	\$14,665,560
Less estimated income	237,017,455	232,691,705	(4,325,750)
General fund	\$550,821,984	\$569,813,294	\$18,991,310
FTE	131.95	95.25	(36.70)
Division of Independent Study			
Salaries and wages			
Operating expenses			
Equipment			
Capital improvements			
Total all funds	\$0	\$0	\$0
Less estimated income	0	0	0
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00
State Library			
Salaries and wages	\$2,084,108	\$2,084,108	
Operating expenses	1,135,660	1,135,660	
Equipment	40,000	40,000	
Grants	1,453,745	1,453,745	
Total all funds	\$4,713,513	\$4,713,513	\$0
Less estimated income	1,598,857	1,598,857	0
General fund	\$3,114,656	\$3,114,656	\$0
FTE	28.75	28.75	0.00
School for the Deaf			

Salaries and wages	\$4,814,058	\$4,888,058	\$74,000
Operating expenses	1,156,267	1,156,267	
Equipment	60,190	60,190	
Capital improvements	45,410	45,410	
Total all funds	<u>\$6,075,925</u>	<u>\$6,149,925</u>	<u>\$74,000</u>
Less estimated income	<u>1,095,624</u>	<u>1,095,624</u>	<u>0</u>
General fund	<u>\$4,980,301</u>	<u>\$5,054,301</u>	<u>\$74,000</u>
FTE	53.10	53.10	0.00
School for the Blind			
Salaries and wages	\$2,594,638	\$2,725,158	\$130,520
Operating expenses	652,238	662,238	10,000
Equipment	60,000	60,000	
Capital improvements	25,416	25,416	
Total all funds	<u>\$3,332,292</u>	<u>\$3,472,812</u>	<u>\$140,520</u>
Less estimated income	<u>1,283,501</u>	<u>1,357,821</u>	<u>74,320</u>
General fund	<u>\$2,048,791</u>	<u>\$2,114,991</u>	<u>\$66,200</u>
FTE	28.00	29.00	1.00
Vocational Education			
Grants		\$13,000	\$13,000
Total all funds	<u>\$0</u>	<u>\$13,000</u>	<u>\$13,000</u>
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
General fund	<u>\$0</u>	<u>\$13,000</u>	<u>\$13,000</u>
FTE	0.00	0.00	0.00
Bill Total			
Total all funds	\$801,961,169	\$822,075,715	\$20,114,546
Less estimated income	240,995,437	241,097,257	101,820
General fund	<u>\$560,965,732</u>	<u>\$580,978,458</u>	<u>\$20,012,726</u>
FTE	241.80	243.80	2.00

House Bill No. 1013 - Information Technology Department - Conference Committee Action

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Salaries and wages			\$3,257,968	\$3,257,968		\$3,257,968
Operating expenses			1,718,498	1,718,498		1,718,498
Equipment			190,000	190,000		190,000
Capital improvements			55,000	55,000		55,000
Total all funds	<u>\$0</u>	<u>\$0</u>	<u>\$5,221,466</u>	<u>\$5,221,466</u>	<u>\$0</u>	<u>\$5,221,466</u>
Less estimated income	<u>0</u>	<u>0</u>	<u>4,353,250</u>	<u>4,353,250</u>	<u>0</u>	<u>4,353,250</u>
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$868,216</u>	<u>\$868,216</u>	<u>\$0</u>	<u>\$868,216</u>
FTE	0.00	0.00	37.70	37.70	0.00	37.70

Department No. 112 - Information Technology Department - Detail of Conference Committee Changes

	Transfer Appropriation from Division of Independent Study¹	Total Conference Committee Changes
Salaries and wages	\$3,257,968	\$3,257,968
Operating expenses	1,718,498	1,718,498
Equipment	190,000	190,000
Capital improvements	55,000	55,000
Total all funds	\$5,221,466	\$5,221,466
Less estimated income	4,353,250	4,353,250
General fund	\$868,216	\$868,216
FTE	37.70	37.70

¹ Pursuant to Section 9 of 2001 Senate Bill No. 2251, any funds appropriated by the Legislative Assembly for the Division of Independent Study must be transferred to the Information Technology Department for use by the Educational Technology Council.

House Bill No. 1013 - Department of Public Instruction - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$12,273,865	(\$103,549)	\$12,170,316
Operating expenses	17,431,193	(400,000)	17,031,193
Equipment	534,140		534,140
Capital improvements	55,000		55,000
Grants - Foundation aid & transportation	485,542,761	(24,507,093)	461,035,668
Grants - Teacher compensation payments		46,640,055	46,640,055
Grants - Revenue supplement payments	3,450,000		3,450,000
Grants - Tuition apportionment	67,239,025		67,239,025
Grants - Special education	51,260,000	(1,361,305)	49,898,695
Grants - Other grants	149,970,455	(620,192)	149,350,263
Geographic education	50,000	50,000	100,000
National board certification	33,000	(13,000)	20,000
Total all funds	\$787,839,439	\$19,684,916	\$807,524,355
Less estimated income	237,017,455	27,500	237,044,955
General fund	\$550,821,984	\$19,657,416	\$570,479,400
FTE	131.95	(1.00)	130.95

Department No. 201 - Department of Public Instruction - Detail of House Changes

	Adjust Market Equity Salary Increase¹	Remove Funding for Student Data Base²	Transfer Funding From Operating Expenses - Increase Grants to LEAD³	Increase Operating Expenses for the Division of Independent Study⁴	Reduce Grants for the Governor's School⁵	Remove Funding for Quality Schools Commission⁶
Salaries and wages	(\$3,549)					
Operating expenses		(412,500)	(15,000)	27,500		
Equipment						
Capital improvements						
Grants - Foundation aid & transportation						
Grants - Teacher compensation payments						
Grants - Revenue supplement payments						
Grants -Tuition apportionment						
Grants - Special education						
Grants - Other grants			15,000		(60,000)	(575,192)
Geographic education						
National board certification						
Total all funds	(\$3,549)	(\$412,500)	\$0	\$27,500	(\$60,000)	(\$575,192)
Less estimated income	0	0	0	27,500	0	0
General fund	(\$3,549)	(\$412,500)	\$0	\$0	(\$60,000)	(\$575,192)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	Add Funding for Geographic Education Grants⁷	Reduce Funding for National Board Certification Program⁸	Remove FTE - Reduce Salaries and Wages⁹	Decrease Special Education to Reflect Teacher Compensation Payments¹⁰	Add Funding for Teacher Compensation Payments¹¹	Decrease Foundation Aid¹²
Salaries and wages			(\$100,000)			
Operating expenses						
Equipment						
Capital improvements						
Grants - Foundation aid & transportation						(24,507,093)
Grants - Teacher compensation payments					46,640,055	
Grants - Revenue supplement payments						
Grants -Tuition apportionment						
Grants - Special education				(1,361,305)		
Grants - Other grants						
Geographic education	50,000					
National board certification		(13,000)				
Total all funds	\$50,000	(\$13,000)	(\$100,000)	(\$1,361,305)	\$46,640,055	(\$24,507,093)
Less estimated income	0	0	0	0	0	0
General fund	\$50,000	(\$13,000)	(\$100,000)	(\$1,361,305)	\$46,640,055	(\$24,507,093)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Total House Changes
Salaries and wages	(\$103,549)
Operating expenses	(400,000)
Equipment	
Capital improvements	
Grants - Foundation aid & transportation	(24,507,093)
Grants - Teacher compensation payments	46,640,055
Grants - Revenue supplement payments	
Grants - Tuition apportionment	
Grants - Special education	(1,361,305)
Grants - Other grants	(620,192)
Geographic education	50,000
National board certification	(13,000)
Total all funds	\$19,684,916
Less estimated income	27,500
General fund	\$19,657,416
FTE	(1.00)

¹ The amount provided for a market equity salary increase for the Superintendent of Public Instruction is reduced from \$14,528 to \$10,979. The amount included in the bill will provide for a monthly increase of \$522 per month for the last 18 months of the biennium.

² Funding is removed for the development of a student data base. The Schafer executive budget recommendation includes an appropriation to the Department of Public Instruction for the project. The Hoeven budget recommendation includes an appropriation to the Information Technology Department for the project. This change is included in the Hoeven budget recommendation.

³ Funding is transferred from operating expenses to the other grants line item to increase grants to the LEAD consortium from \$200,000 to \$215,000. The additional grants are to fund the Spelling Bee and Math Counts programs.

⁴ Other funds spending authority, derived from fees generated by the Division of Independent Study, is added to restore operating expenses to the amount included in the division's base budget request. This change is included in the Hoeven budget recommendation.

⁵ Funding for the Governor's School program is reduced by \$60,000, from \$205,000 to \$145,000. The \$145,000 amount included in the House version is the same as the amount appropriated for the 1999-2001 biennium.

⁶ Funding is removed for the Quality Schools Commission. The Schafer executive budget recommendation includes an appropriation of \$575,192 to the Department of Public Instruction for a grant to the commission. The Hoeven budget recommendation includes an appropriation of \$505,197 to the Governor's office for the expenses of the commission. This change is included in the Hoeven budget recommendation.

⁷ Funding is added for geographic education grants. The grant will be provided to the North Dakota Geographic Alliance and will be matched with approximately \$400,000 of other funds from the National Geographic Society and other sources to establish a North Dakota geographic education endowment fund. The income of the endowment fund will be used to partially fund the operations of the North Dakota Geographic Alliance, which provides geography instruction training and materials to North Dakota teachers.

⁸ Funding is reduced from \$33,000 to \$20,000 for a grant to the Education Standards and Practices Board for the national board certification program. The amount included in the House version is the same as the amount appropriated for the 1999-2001 biennium.

⁹ Funding for salaries and wages is reduced by \$100,000 from the general fund to reflect the reduction of 1 FTE position to be determined by the department.

¹⁰ See footnote No. 12

¹¹ See footnote No. 12

¹² The Schafer executive recommendation for foundation aid and special education aid is reduced and funding is added for teacher compensation payments, as follows:

	Schafer Executive Budget	Hoeven Budget	House Version
Foundation aid	\$485,542,761	\$457,666,148	\$461,035,668
Teacher compensation payments		50,009,575	46,640,055
Total foundation aid and teacher compensation	<u>\$485,542,761</u>	<u>\$507,675,723</u>	<u>\$507,675,723</u>
Special education aid	\$51,260,000	\$49,898,695	\$49,898,695
Per student payment amounts			
First year	\$2,323	\$2,240	\$2,255
Second year	\$2,420	\$2,250	\$2,278
Teacher payment amounts			
First year	N/A	\$2,000	\$1,750
Second year	N/A	3,500	3,500
Biennium total per teacher FTE	N/A	<u>\$5,500</u>	<u>\$5,250</u>
Qualifying teacher FTE positions	N/A	9,092.65	8,883.82

This amendment also:

- Adds a new Section 5, which allows the Education Standards and Practices Board to use up to \$7,000 of the amount appropriated by the Fifty-sixth Legislative Assembly for the national board certification program to pay stipends to teachers receiving national board certification during the 1999-2001 biennium. An emergency clause is added to make this section effective upon passage of the bill.
- Adds a new Section 6, which provides that the department may not transfer any FTE positions between the Division of Independent Study and the other divisions of the department without first obtaining approval of the Budget Section.
- Adds a new Section 7, which provides legislative intent that the department's 2003-05 biennium budget request contain no more than 129.95 FTE positions, 1 FTE less than the number authorized in the House version for the 2001-03 biennium. Although the agency is provided the authority to determine the specific position eliminated, the reduction is to reflect potential savings resulting from Information Technology Department statewide initiatives, which may result in a reduction in data collection responsibilities for the Department of Public Instruction.

- Adds new Sections 15 and 17 to provide statutory changes relating to the supplemental payment program currently authorized by North Dakota Century Code Section 15-40.1-07.8. The statutory formula limits the payment to each qualifying district and for the 1999-2001 biennium will result in the Department of Public Instruction being unable to distribute the entire legislative appropriation. This amendment allows the department to adjust the formula to allow the distribution of all appropriated funds. An emergency clause is added for this section to allow the 1999-2001 biennium appropriation for these payments to be distributed.

House Bill No. 1013 - Department of Public Instruction - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$12,273,865	\$12,170,316	(\$3,085,168)	\$9,085,148
Operating expenses	17,431,193	17,031,193	(1,821,113)	15,210,080
Equipment	534,140	534,140	(190,000)	344,140
Capital improvements	55,000	55,000	(55,000)	
Grants - Foundation aid & transportation	485,542,761	461,035,668	27,130,480	488,166,148
Grants - Teacher compensation payments		46,640,055	(46,640,055)	
Grants - Revenue supplement payments	3,450,000	3,450,000	(1,250,000)	2,200,000
Grants -Tuition apportionment	67,239,025	67,239,025		67,239,025
Grants - Special education	51,260,000	49,898,695		49,898,695
Grants - Other grants	149,970,455	149,350,263	70,000	149,420,263
Geographic education	50,000	100,000	(50,000)	50,000
National board certification	33,000	20,000	(20,000)	
Total all funds	<u>\$787,839,439</u>	<u>\$807,524,355</u>	<u>(\$25,910,856)</u>	<u>\$781,613,499</u>
Less estimated income	<u>237,017,455</u>	<u>237,044,955</u>	<u>(4,353,250)</u>	<u>232,691,705</u>
General fund	<u>\$550,821,984</u>	<u>\$570,479,400</u>	<u>(\$21,557,606)</u>	<u>\$548,921,794</u>
FTE	131.95	130.95	(35.70)	95.25

Department No. 201 - Department of Public Instruction - Detail of Senate Changes

	Restore FTE and Funding Removed by House	Reduce Operating Expenses	Add Funding for Dues to the Education Commission of the States	Reduce Funding for Title I Testing¹	Add Funding for Limited English Proficiency Payments²	Reduce Supplemental Payments³
Salaries and wages	\$100,000					
Operating expenses		(120,000)	89,100	(71,715)		
Equipment						
Capital improvements						
Grants - Foundation aid & transportation					200,000	
Grants - Teacher compensation payments						
Grants - Revenue supplement payments						(1,250,000)
Grants -Tuition apportionment						
Grants - Special education						
Grants - Other grants						
Geographic education						
National board certification						
Total all funds	<u>\$100,000</u>	<u>(\$120,000)</u>	<u>\$89,100</u>	<u>(\$71,715)</u>	<u>\$200,000</u>	<u>(\$1,250,000)</u>
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	<u>\$100,000</u>	<u>(\$120,000)</u>	<u>\$89,100</u>	<u>(\$71,715)</u>	<u>\$200,000</u>	<u>(\$1,250,000)</u>
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	Restore Funding for Governor's School	Reduce Funding for Geographic Education⁴	Remove Funding for Teacher Certification Program⁵	Add Funding for Teacher Centers	Remove Independent Study⁶	Remove Teacher Compensation Payments and Increase Foundation Aid⁷
Salaries and wages					(\$3,185,168)	
Operating expenses					(1,718,498)	
Equipment					(190,000)	
Capital improvements					(55,000)	
Grants - Foundation aid & transportation						26,930,480
Grants - Teacher compensation payments						(46,640,055)
Grants - Revenue supplement payments						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Other grants	60,000			10,000		
Geographic education		(50,000)				
National board certification			(20,000)			
Total all funds	\$60,000	(\$50,000)	(\$20,000)	\$10,000	(\$5,148,666)	(\$19,709,575)
Less estimated income	0	0	0	0	(4,353,250)	0
General fund	\$60,000	(\$50,000)	(\$20,000)	\$10,000	(\$795,416)	(\$19,709,575)
FTE	0.00	0.00	0.00	0.00	(37.70)	0.00

	Add FTE For Developing School District Compensation Report⁸	Total Senate Changes
Salaries and wages		(\$3,085,168)
Operating expenses		(1,821,113)
Equipment		(190,000)
Capital improvements		(55,000)
Grants - Foundation aid & transportation		27,130,480
Grants - Teacher compensation payments		(46,640,055)
Grants - Revenue supplement payments		(1,250,000)
Grants - Tuition apportionment		
Grants - Special education		
Grants - Other grants		70,000
Geographic education		(50,000)
National board certification		(20,000)
Total all funds	\$0	(\$25,910,856)
Less estimated income	0	(4,353,250)
General fund	\$0	(\$21,557,606)
FTE	1.00	(35.70)

¹ The House version of House Bill No. 1013 included a general fund appropriation of \$1,289,643 for developing and administering standards-based assessments, as required for the state to be eligible to continue receiving federal Title I funding. The Department of Public Instruction has received a proposal to develop and administer the required tests at a cost of \$1,212,928 for the 2001-03 biennium. In addition, the department has indicated that the cost of reporting the results, as required by House Bill No. 1293, will be

an additional \$5,000. The Senate version of House Bill No. 1013 provides \$1,217,928 to fully fund the federal Title I testing and the requirements of House Bill No. 1293.

² The Senate amendment increases the appropriation for limited English proficiency payments from \$450,000 to \$650,000 to fund the payment levels specified in House Bill No. 1321, as passed by the Senate.

³ North Dakota Century Code (NDCC) Section 15-40.1-07.8 provides a formula for the distribution of supplemental payments to school districts. The formula limits the amount each district qualifies for and does not provide a mechanism to allow the distribution of any remaining funds. For the 1999-2001 biennium, the department estimates that \$420,838 will remain unspent and will be general fund turnback. For the 2001-03 biennium, the department estimates that the statutory formula will only allow the distribution of approximately \$2.2 million. The House amended NDCC Section 15-40.1-07.8 to allow the department to adjust the formula to distribute all supplemental payment funds appropriated for the 1999-2001 biennium and future bienniums. The Senate amendment removes this statutory change and reduces the appropriation accordingly.

⁴ The Senate amendment removes \$50,000 added by the House for geographic education, reducing the line item to \$50,000, as included in the Schafer and Hoeven budget recommendations.

⁵ The Schafer and Hoeven budget recommendations included \$33,000 for the teacher certification program. The House reduced the funding to \$20,000, which is the same as the amount appropriated for the 1999-2001 biennium. House Bill No. 1344, as amended by the Senate, includes \$83,000 for this program. Consequently, this amendment removes the funding from this bill.

⁶ The funding and FTE authority relating to the Division of Independent Study is removed from the Department of Public Instruction and is reflected in a separate subdivision of the bill.

⁷ The teacher compensation payments line item is removed and the foundation aid line item is increased to reflect per student payments of \$2,349 the first year of the biennium and \$2,411 the second year, as provided in House Bill No. 1344 with Senate amendments. In addition, House Bill No. 1344 with Senate amendments includes a general fund appropriation of \$20.8 million for teacher bonus payments.

⁸ House Bill No. 1344 with Senate amendments appropriates \$200,000 to the Department of Public Instruction for developing a school district employee compensation report. The appropriation provides salaries and related expenses for a new FTE position at the department.

This amendment changes Section 7 of the engrossed bill, which limits the number of FTE positions to be included in the department's 2003-05 biennium base budget request, to reflect the removal to the FTE positions relating to the Division of Independent Study. The base budget request for the 2003-05 biennium will be limited to 94.25 FTE, one less than the Senate version for the 2001-03 biennium.

This amendment also adds new sections, as follows:

- Section 4 directs the Department of Public Instruction to use \$20,000 of the amount appropriated for operating expenses to fund the Red River Valley writing project. The Schafer and Hoeven executive recommendations and the House version included \$10,000 for this project. The Senate amendment directs the department to spend an additional \$10,000 for this project, but does not provide additional funding.
- Section 5 directs the department to spend \$1,217,928 of the amount appropriated for operating expenses to develop and administer student tests aligned with the state content standards and to report the results of the tests.
- Section 6 provides that, in addition to other salary increases appropriated by the Legislative Assembly, teachers at the Division of Independent Study, the School for the Blind, and the School for the Deaf will be provided salary increases of \$1,750 for the first year of the biennium and an additional \$1,750 for the second year of the biennium (total of \$5,250 per teacher for the biennium). The amounts included in the salaries and wages line items for the respective agencies are:
 - Division of Independent Study - \$95,550

- School for the Deaf - \$97,125
- School for the Blind - \$73,763
- Sections 15 and 17 increase the reimbursement rate from 25 cents to 35 cents per mile for in-city busing for schoolbuses with a capacity of 10 or more students.

House Bill No. 1013 - Department of Public Instruction - Conference Committee Action

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Salaries and wages	\$12,273,865	\$12,170,316	(\$3,185,168)	\$8,985,148	\$9,085,148	(\$100,000)
Operating expenses	17,431,193	17,031,193	(1,721,113)	15,310,080	15,210,080	100,000
Equipment	534,140	534,140	(190,000)	344,140	344,140	
Capital improvements	55,000	55,000	(55,000)			
Grants - Foundation aid & transportation	485,542,761	461,035,668	12,935,980	473,971,648	488,166,148	(14,194,500)
Grants - Teacher compensation payments		46,640,055	(11,604,055)	35,036,000		35,036,000
Grants - Revenue supplement payments	3,450,000	3,450,000	(1,250,000)	2,200,000	2,200,000	
Grants -Tuition apportionment	67,239,025	67,239,025		67,239,025	67,239,025	
Grants - Special education	51,260,000	49,898,695		49,898,695	49,898,695	
Grants - Other grants	149,970,455	149,350,263	70,000	149,420,263	149,420,263	
Geographic education	50,000	100,000		100,000	50,000	50,000
National board certification	33,000	20,000	(20,000)			
Total all funds	\$787,839,439	\$807,524,355	(\$5,019,356)	\$802,504,999	\$781,613,499	\$20,891,500
Less estimated income	237,017,455	237,044,955	(4,353,250)	232,691,705	232,691,705	0
General fund	\$550,821,984	\$570,479,400	(\$666,106)	\$569,813,294	\$548,921,794	\$20,891,500
FTE	131.95	130.95	(35.70)	95.25	95.25	0.00

Department No. 201 - Department of Public Instruction - Detail of Conference Committee Changes

	Restore FTE and Reduce Operating Expenses ¹	Add Funding for Dues to the Education Commission of the States ²	Reduce Funding for Title I Testing ³	Add Funding for Limited English Proficiency Payments ⁴	Reduce Supplemental Payments ⁵	Restore Funding for Governor's School ⁶
Salaries and wages						
Operating expenses	(20,000)	89,100	(71,715)			
Equipment						
Capital improvements						
Grants - Foundation aid & transportation				200,000		
Grants - Teacher compensation payments						
Grants - Revenue supplement payments					(1,250,000)	
Grants -Tuition apportionment						
Grants - Special education						
Grants - Other grants						60,000
Geographic education						
National board certification						
Total all funds	(\$20,000)	\$89,100	(\$71,715)	\$200,000	(\$1,250,000)	\$60,000
Less estimated income	0	0	0	0	0	0
General fund	(\$20,000)	\$89,100	(\$71,715)	\$200,000	(\$1,250,000)	\$60,000
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	Remove Funding for Teacher Certification Program⁷	Add Funding for Teacher Centers⁸	Remove Independent Study⁹	Remove Teacher Compensation Payments and Increase Foundation Aid¹⁰	Add FTE For Developing School District Compensation Report¹¹	Total Conference Committee Changes
Salaries and wages			(\$3,185,168)			(\$3,185,168)
Operating expenses			(1,718,498)			(1,721,113)
Equipment			(190,000)			(190,000)
Capital improvements			(55,000)			(55,000)
Grants - Foundation aid & transportation				12,735,980		12,935,980
Grants - Teacher compensation payments				(11,604,055)		(11,604,055)
Grants - Revenue supplement payments						(1,250,000)
Grants -Tuition apportionment						
Grants - Special education						
Grants - Other grants		10,000				70,000
Geographic education						
National board certification	(20,000)					(20,000)
Total all funds	(\$20,000)	\$10,000	(\$5,148,666)	\$1,131,925	\$0	(\$5,019,356)
Less estimated income	0	0	(4,353,250)	0	0	(4,353,250)
General fund	(\$20,000)	\$10,000	(\$795,416)	\$1,131,925	\$0	(\$666,106)
FTE	0.00	0.00	(37.70)	0.00	1.00	(35.70)

¹ The Conference Committee amendment restores one FTE removed by the House and reduces operating expenses by \$20,000. The Senate restored \$100,000 to salaries and wages reduced by the House and the FTE position removed by the House. In addition, the Senate removed \$120,000 from the operating expenses line item.

² The Conference Committee amendment includes the Senate change to add funding for dues to the Education Commission of the States.

³ The House version of House Bill No. 1013 included a general fund appropriation of \$1,289,643 for developing and administering standards-based assessments, as required for the state to be eligible to continue receiving federal Title I funding. The Department of Public Instruction has received a proposal to develop and administer the required tests at a cost of \$1,212,928 for the 2001-03 biennium. In addition, the department has indicated that the cost of reporting the results, as required by House Bill No. 1293, will be an additional \$5,000. The Conference Committee and Senate versions provide \$1,217,928 to fully fund the federal Title I testing and the requirements of House Bill No. 1293.

⁴ The Conference Committee and Senate versions increase the appropriation for limited English proficiency payments from \$450,000 to \$650,000 to provide for the payment levels specified in House Bill No. 1321.

⁵ North Dakota Century Code (NDCC) Section 15-40.1-07.8 provides a formula for the distribution of supplemental payments to school districts. The formula limits the amount each district qualifies for and does not provide a mechanism to allow the distribution of any remaining funds. For the 1999-2001 biennium, the department estimates that \$420,838 will remain unspent and will be general fund turnback. For the 2001-03 biennium, the department estimates that the statutory formula will only allow the distribution of approximately \$2.2 million. The House amended NDCC Section 15-40.1-07.8 to allow the department to adjust the formula to distribute all supplemental payment funds appropriated for the 1999-2001 biennium and future bienniums. The Senate and Conference Committee versions remove the statutory changes proposed by the House and reduce the appropriation accordingly.

⁶ The Conference Committee amendment includes the Senate change to increase funding for the Governor's school program by \$60,000, as included in the Schafer and Hoeven executive budget recommendations.

⁷ The Schafer and Hoeven budget recommendations included \$33,000 for the teacher certification program. The House reduced the funding to \$20,000, which is the same as the amount appropriated for the 1999-2001 biennium. House Bill No. 1344 includes \$41,500 for this program. Consequently, this amendment removes the funding from this bill.

⁸ The Conference Committee amendment includes the Senate change to increase funding for teacher centers.

⁹ In the Conference Committee and Senate versions, funding and FTE authority relating to the Division of Independent Study are removed from the Department of Public Instruction and reflected in a separate subdivision of the bill.

¹⁰ The teacher compensation payments line item is reduced and foundation aid is increased to reflect the payment levels provided in House Bill No. 1344.

¹¹ House Bill No. 1344 appropriates \$200,000 to the Department of Public Instruction for developing a school district employee compensation report. The appropriation provides salaries and related expenses for a new FTE position at the department.

House Bill No. 1013 - Division of Independent Study - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages			\$3,280,718	\$3,280,718
Operating expenses			1,718,498	1,718,498
Equipment			190,000	190,000
Capital improvements			55,000	55,000
Total all funds	\$0	\$0	\$5,244,216	\$5,244,216
Less estimated income	0	0	4,353,250	4,353,250
General fund	\$0	\$0	\$890,966	\$890,966
FTE	0.00	0.00	37.70	37.70

Department No. 202 - Division of Independent Study - Detail of Senate Changes

	Separate Funding for Division of Independent Study ¹	Add Funding for Teacher Compensation Payments ²	Total Senate Changes
Salaries and wages	\$3,185,168	\$95,550	\$3,280,718
Operating expenses	1,718,498		1,718,498
Equipment	190,000		190,000
Capital improvements	55,000		55,000
Total all funds	\$5,148,666	\$95,550	\$5,244,216
Less estimated income	4,353,250	0	4,353,250
General fund	\$795,416	\$95,550	\$890,966
FTE	37.70	0.00	37.70

¹ Funding for the Division of Independent Study is moved to a separate subdivision of the bill. The House version for the division is reduced by \$400,000 (\$115,285 for salaries, \$4,715 for operating expenses, and \$280,000 for grants) for a federal grant which the department has indicated must continue to be administered by the Department of Public Instruction after authority for the division is moved from the Department of Public Instruction to the Educational Technology Council, as provided in Senate Bill No. 2251.

² The Senate amendment increases the salaries and wages line item by \$95,550 to provide additional compensation payments of \$1,750 per year for teachers at the Division of Independent Study.

House Bill No. 1013 - Division of Independent Study - Conference Committee Action

Department No. 202 - Division of Independent Study - Detail of Conference Committee Changes

	Separate Funding for Division of Independent Study ¹	Add Funding for Teacher Compensation Payments ²	Transfer Appropriation to the Information Technology Dept. ³	Total Conference Committee Changes
Salaries and wages	\$3,185,168	\$72,800	(\$3,257,968)	
Operating expenses	1,718,498		(1,718,498)	
Equipment	190,000		(190,000)	
Capital improvements	55,000		(55,000)	
Total all funds	\$5,148,666	\$72,800	(\$5,221,466)	\$0
Less estimated income	4,353,250	0	(4,353,250)	0
General fund	\$795,416	\$72,800	(\$868,216)	\$0
FTE	37.70	0.00	(37.70)	0.00

¹ Funding for the Division of Independent Study is moved to a separate subdivision of the bill. The House version for the division is reduced by \$400,000 (\$115,285 for salaries, \$4,715 for operating expenses, and \$280,000 for grants) for a federal grant which the department has indicated must continue to be administered by the Department of Public Instruction after authority for the division is moved from the Department of Public Instruction to the Educational Technology Council, as provided in Senate Bill No. 2251.

² The Conference Committee amendment increases the salaries and wages line item by \$72,800 (compared to \$95,550 in the Senate version) to provide additional compensation payments of \$1,750 per year for teachers at the Division of Independent Study.

³ Pursuant to Section 9 of 2001 Senate Bill No. 2251, any funds appropriated by the Legislative Assembly for the Division of Independent Study must be transferred to the Information Technology Department for use by the Educational Technology Council.

House Bill No. 1013 - State Library - House Action

The House did not change the executive recommendation for this agency.

House Bill No. 1013 - State Library - Senate Action

The Senate did not change the House version.

House Bill No. 1013 - State Library - Conference Committee Action

The Conference Committee did not change the House version.

House Bill No. 1013 - School for the Deaf - House Action

The House did not change the executive recommendation for this agency.

House Bill No. 1013 - School for the Deaf - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$4,814,058	\$4,814,058	\$97,125	\$4,911,183
Operating expenses	1,156,267	1,156,267		1,156,267
Equipment	60,190	60,190		60,190
Capital improvements	45,410	45,410		45,410
Total all funds	<u>\$6,075,925</u>	<u>\$6,075,925</u>	<u>\$97,125</u>	<u>\$6,173,050</u>
Less estimated income	<u>1,095,624</u>	<u>1,095,624</u>	<u>0</u>	<u>1,095,624</u>
General fund	<u>\$4,980,301</u>	<u>\$4,980,301</u>	<u>\$97,125</u>	<u>\$5,077,426</u>
FTE	53.10	53.10	0.00	53.10

Department No. 252 - School for the Deaf - Detail of Senate Changes

	Add Funding for Teacher Compensation Payments¹	Total Senate Changes
Salaries and wages	\$97,125	\$97,125
Operating expenses		
Equipment		
Capital improvements		
Total all funds	<u>\$97,125</u>	<u>\$97,125</u>
Less estimated income	<u>0</u>	<u>0</u>
General fund	<u>\$97,125</u>	<u>\$97,125</u>
FTE	0.00	0.00

¹ The Senate amendment increases the salaries and wages line item by \$97,125 to provide additional compensation payments of \$1,750 per year for teachers at the School for the Deaf.

House Bill No. 1013 - School for the Deaf - Conference Committee Action

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Salaries and wages	\$4,814,058	\$4,814,058	\$74,000	\$4,888,058	\$4,911,183	(\$23,125)
Operating expenses	1,156,267	1,156,267		1,156,267	1,156,267	
Equipment	60,190	60,190		60,190	60,190	
Capital improvements	45,410	45,410		45,410	45,410	
Total all funds	<u>\$6,075,925</u>	<u>\$6,075,925</u>	<u>\$74,000</u>	<u>\$6,149,925</u>	<u>\$6,173,050</u>	<u>(\$23,125)</u>
Less estimated income	<u>1,095,624</u>	<u>1,095,624</u>	<u>0</u>	<u>1,095,624</u>	<u>1,095,624</u>	<u>0</u>
General fund	<u>\$4,980,301</u>	<u>\$4,980,301</u>	<u>\$74,000</u>	<u>\$5,054,301</u>	<u>\$5,077,426</u>	<u>(\$23,125)</u>
FTE	53.10	53.10	0.00	53.10	53.10	0.00

Department No. 252 - School for the Deaf - Detail of Conference Committee Changes

	Add Funding for Teacher Compensation Payments¹	Total Conference Committee Changes
Salaries and wages	\$74,000	\$74,000
Operating expenses		
Equipment		
Capital improvements		
Total all funds	\$74,000	\$74,000
Less estimated income	0	0
General fund	\$74,000	\$74,000
FTE	0.00	0.00

¹ The Conference Committee amendment increases the salaries and wages line item by \$74,000 (compared to \$97,125 in the Senate version) to provide additional compensation payments for teachers at the School for the Deaf.

House Bill No. 1013 - School for the Blind - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$2,594,638	\$74,320	\$2,668,958
Operating expenses	652,238		652,238
Equipment	60,000		60,000
Capital improvements	25,416		25,416
Total all funds	\$3,332,292	\$74,320	\$3,406,612
Less estimated income	1,283,501	74,320	1,357,821
General fund	\$2,048,791	\$0	\$2,048,791
FTE	28.00	1.00	29.00

Department No. 253 - School for the Blind - Detail of House Changes

	Add Training Officer II Position¹	Total House Changes
Salaries and wages	\$74,320	\$74,320
Operating expenses		
Equipment		
Capital improvements		
Total all funds	\$74,320	\$74,320
Less estimated income	74,320	74,320
General fund	\$0	\$0
FTE	1.00	1.00

¹ This amendment adds 1 FTE and other funds spending authority for a training officer II position requested by the agency but not included in the Schafer or Hoeven budget recommendations. The other funds are from special fund sources to be determined by the agency. The position is to provide technology training to agency clients in western North Dakota.

House Bill No. 1013 - School for the Blind - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$2,594,638	\$2,668,958	\$73,763	\$2,742,721
Operating expenses	652,238	652,238	10,000	662,238
Equipment	60,000	60,000		60,000
Capital improvements	25,416	25,416		25,416
Total all funds	<u>\$3,332,292</u>	<u>\$3,406,612</u>	<u>\$83,763</u>	<u>\$3,490,375</u>
Less estimated income	<u>1,283,501</u>	<u>1,357,821</u>	<u>0</u>	<u>1,357,821</u>
General fund	<u>\$2,048,791</u>	<u>\$2,048,791</u>	<u>\$83,763</u>	<u>\$2,132,554</u>
FTE	28.00	29.00	0.00	29.00

Department No. 253 - School for the Blind - Detail of Senate Changes

	Add Funding for Teacher Compensation Payments¹	Add Operating Expenses for New FTE And Other Costs²	Total Senate Changes
Salaries and wages	\$73,763		\$73,763
Operating expenses		10,000	10,000
Equipment			
Capital improvements			
Total all funds	<u>\$73,763</u>	<u>\$10,000</u>	<u>\$83,763</u>
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
General fund	<u>\$73,763</u>	<u>\$10,000</u>	<u>\$83,763</u>
FTE	0.00	0.00	0.00

¹ The Senate amendment increases the salaries and wages line item by \$73,763 to provide additional compensation payments of \$1,750 per year for teachers at the School for the Blind.

² The House added a new training officer II position. The Senate amendment adds \$10,000 for operating expenses relating to the position and for other costs incurred by the agency.

House Bill No. 1013 - School for the Blind - Conference Committee Action

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Salaries and wages	\$2,594,638	\$2,668,958	\$56,200	\$2,725,158	\$2,742,721	(\$17,563)
Operating expenses	652,238	652,238	10,000	662,238	662,238	
Equipment	60,000	60,000		60,000	60,000	
Capital improvements	25,416	25,416		25,416	25,416	
Total all funds	<u>\$3,332,292</u>	<u>\$3,406,612</u>	<u>\$66,200</u>	<u>\$3,472,812</u>	<u>\$3,490,375</u>	<u>(\$17,563)</u>
Less estimated income	1,283,501	1,357,821	0	1,357,821	1,357,821	0
General fund	<u>\$2,048,791</u>	<u>\$2,048,791</u>	<u>\$66,200</u>	<u>\$2,114,991</u>	<u>\$2,132,554</u>	<u>(\$17,563)</u>
FTE	28.00	29.00	0.00	29.00	29.00	0.00

Department No. 253 - School for the Blind - Detail of Conference Committee Changes

	Add Funding for Teacher Compensation Payments¹	Add Operating Expenses for New FTE And Other Costs²	Total Conference Committee Changes
Salaries and wages	\$56,200		\$56,200
Operating expenses		10,000	10,000
Equipment			
Capital improvements			
Total all funds	<u>\$56,200</u>	<u>\$10,000</u>	<u>\$66,200</u>
Less estimated income	0	0	0
General fund	<u>\$56,200</u>	<u>\$10,000</u>	<u>\$66,200</u>
FTE	0.00	0.00	0.00

¹ The Senate amendment increases the salaries and wages line item by \$56,200 (compared to \$73,763 in the Senate version) to provide additional compensation payments for teachers at the School for the Blind.

² The House added a new training officer II position. The Senate amendment adds \$10,000 for operating expenses relating to the position and for other costs incurred by the agency.

House Bill No. 1013 - Vocational Education - Conference Committee Action

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Grants			\$13,000	\$13,000		\$13,000
Total all funds	<u>\$0</u>	<u>\$0</u>	<u>\$13,000</u>	<u>\$13,000</u>	<u>\$0</u>	<u>\$13,000</u>
Less estimated income	0	0	0	0	0	0
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$13,000</u>	<u>\$13,000</u>	<u>\$0</u>	<u>\$13,000</u>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 270 - Vocational Education - Detail of Conference Committee Changes

	Add Funding for Vocational Education Grants	Total Conference Committee Changes
Grants	\$13,000	\$13,000
Total all funds	\$13,000	\$13,000
Less estimated income	0	0
General fund	\$13,000	\$13,000
FTE	0.00	0.00

This amendment changes Section 7 of the engrossed bill, which limits the number of FTE positions to be included in the department's 2003-05 biennium base budget request, to reflect the removal of the FTE positions relating to the Division of Independent Study and other FTE changes. The base budget request for the 2003-05 biennium will be limited to 94.25 FTE, one less than the Conference Committee version for the 2001-03 biennium.

This amendment also adds new sections as follows:

- Section 4 directs the Department of Public Instruction to use \$20,000 of the amount appropriated for operating expenses to fund the Red River Valley writing project. The Schafer and Hoeven executive recommendations and the House version included \$10,000 for this project. The Senate amendment directs the department to spend an additional \$10,000 for this project but does not provide additional funding.
- Section 5 directs the department to spend \$1,217,928 of the amount appropriated for operating expenses to develop and administer student tests aligned with the state content standards and to report the results of the tests.
- Section 6 provides that, in addition to other salary increases appropriated by the Legislative Assembly, teachers at the Division of Independent Study, the School for the Blind, and the School for the Deaf will be provided salary increases of \$1,000 for the first year of the biennium and an additional \$2,000 for the second year of the biennium (total of \$4,000 per teacher for the biennium). The Senate version provided a total of \$5,250 per teacher for the biennium. The amounts included in the salaries and wages line items for the respective agencies are:
 - Division of Independent Study - \$72,800
 - School for the Deaf - \$74,000
 - School for the Blind - \$56,200
- Sections 15 and 17 increase the reimbursement rate from 25 cents to 35 cents per mile for in-city busing for schoolbuses with a capacity of 10 or more students.
- Section 18, which appropriates \$13,000 from the general fund to the State Board for Vocational and Technical Education for grants.