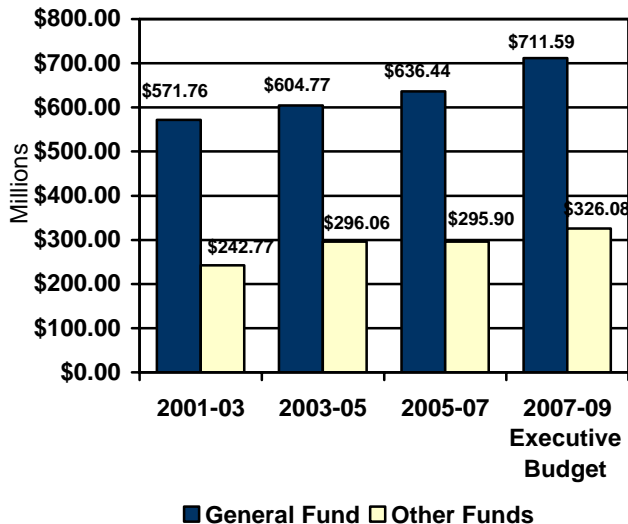


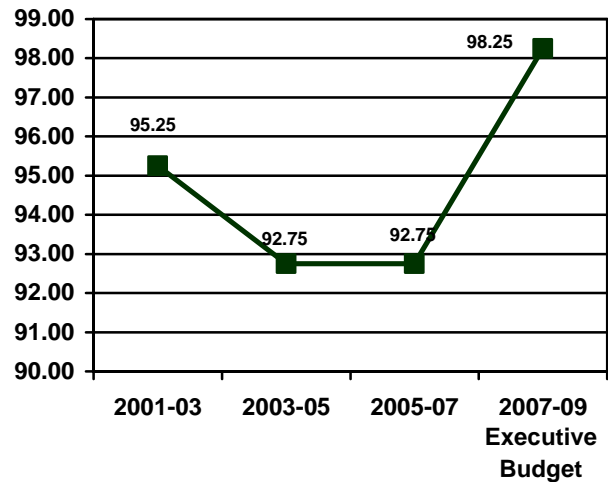
**Department 201 - Department of Public Instruction
 Senate Bill No. 2013**

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	98.25	\$711,585,726	\$326,080,447	\$1,037,666,173
2005-07 Legislative Appropriations	92.75	636,443,587	295,899,635	932,343,222
Increase (Decrease)	5.50	\$75,142,139	\$30,180,812	\$105,322,951

Agency Funding



FTE Positions



Executive Budget Highlights

Salaries and wages

- Adds 1 new FTE research analyst III position (\$99,932) and related operating expenses (\$23,400) for the administration and school district support services program
- Adds the following 2 new FTE positions for the education improvement program:
 - 1 FTE education program administrator III
 - 1 FTE assistant director primary/secondary education programs
- Adds the following 2.5 new FTE positions for the educational support and community learning program:
 - 1 FTE education program administrator III
 - 1 FTE education information process analyst
 - .5 FTE administrative assistant I
- Includes the statutory changes necessary to increase the Superintendent's salary as follows:

	General Fund	Other Funds	Total
1. Adds 1 new FTE research analyst III position (\$99,932) and related operating expenses (\$23,400) for the administration and school district support services program	\$123,332		\$123,332
2. Adds the following 2 new FTE positions for the education improvement program:			
1 FTE education program administrator III		\$117,250	\$117,250
1 FTE assistant director primary/secondary education programs		127,369	127,369
Total		\$244,619	\$244,619
3. Adds the following 2.5 new FTE positions for the educational support and community learning program:			
1 FTE education program administrator III		\$117,250	\$117,250
1 FTE education information process analyst		127,369	127,369
.5 FTE administrative assistant I		42,271	42,271
Total		\$286,890	\$286,890

Annual salary authorized by the 2005 Legislative Assembly:

July 2005-June 2006	\$80,531
July 2006-June 2007	\$83,753

Proposed annual salary recommended in the 2007-09 executive budget:

July 2007-June 2008	\$87,103
July 2008-June 2009	\$90,587

Operating expenses

- Increases funding for operating expenses

\$350,000

\$350,000

6. Provides funding for the rewrite of the state school aid computer system required as a result of the proposed new funding plan (executive budget identified as one-time funding)	\$400,000		\$400,000
7. Provides funding for the rewrite of the teacher licensure application used by the department and the Education Standards and Practices Board to collect teacher licensure information required by the No Child Left Behind Act. This funding provides for only the department's share of the estimated costs. The Education Standards and Practices Board portion of the application will be paid with other funds provided by the Education Standards and Practices Board (executive budget identified as one-time funding) .	\$500,000		\$500,000
8. Increases funding for the maintenance of effort for the state assessment program from \$1,200,000 to \$1,650,000	\$450,000		\$450,000
9. Adjusts funding for professional services to account for estimated federal funds carryover from the 2005-07 biennium of \$2,089,212 and an anticipated special funds decrease of \$800,000		\$1,289,212	\$1,289,212
10. Increases funding for operating fees and services to account for increases in storage and handling fees for the United States Department of Agriculture commodities		\$980,000	\$980,000
11. Adjusts funding for information technology-related expenses as follows:	(\$174,332)	\$2,377,706	\$2,203,374
Contractual services - \$3,075,000			
Software - (\$990,000)			
Data processing - \$158,374			
Communications - (\$40,000)			
Grants			
12. Consolidates funding for the state school aid program , including per student payments, teacher compensation payments, special education average daily membership payments, revenue supplemental payments, and tuition apportionment payments, into a new state school aid funding formula and increases funding from the general fund and the state tuition fund	\$71,000,000	\$4,600,000	\$75,600,000
13. Provides funding of \$33.5 million from the general fund for transportation aid payments , the same level of funding provided for in the 2005-07 biennium			
14. Increases funding for special education contracts from \$15.5 million to \$17.5 million	\$2,000,000		\$2,000,000
15. Increases funding for joint powers agreement incentives from \$1 million to \$2 million	\$1,000,000		\$1,000,000
16. Removes funding for reorganization bonus payments	(\$759,000)		(\$759,000)
17. Increases federal funding for other grants by \$19.5 million from \$204.5 million to \$224 million relating to an increase for IDEA Part B special education grants		\$19,531,723	\$19,531,723

State School Aid Program

The executive budget recommends consolidating funding for the state school aid program, including per student payments, teacher compensation payments, special education average daily membership payments, revenue supplemental payments, and tuition apportionment payments, into a new state school aid funding formula. In addition, the executive budget recommends providing funding of \$16.5 million from the general fund for equity payments to school districts and \$3 million from the general fund for full-day kindergarten for at-risk students beginning with the 2008-09 school year. The funding for the state school aid program is summarized as follows:

	2005-07 Legislative Appropriation	2007-09 Executive Budget	Increase (Decrease)
Per student formula payments	\$484,053,759 ¹	\$661,665,879 ¹	\$177,612,120
Teacher compensation payments	50,912,120		(50,912,120)
Special education - Average daily membership	37,000,000 ²	43,000,000 ²	6,000,000
Revenue supplemental payments	5,000,000		(5,000,000)
Equity payments		16,500,000	16,500,000
Full-day kindergarten for at-risk students		3,000,000	3,000,000
Tuition apportionment	71,600,000		(71,600,000)
Subtotal	\$648,565,879	\$724,165,879	\$75,600,000

	2005-07 Legislative Appropriation	2007-09 Executive Budget	Increase (Decrease)
Transportation aid payments	\$33,500,000	\$33,500,000	
Special education - Contracts	15,500,000	17,500,000	\$2,000,000
Joint powers agreement incentives	1,000,000	2,000,000	1,000,000
Subtotal	\$50,000,000	\$53,000,000	\$3,000,000
Total - State school aid program	\$698,565,879	\$777,165,879	\$78,600,000
General fund	\$626,965,879	\$700,965,879	\$74,000,000
State tuition fund	71,600,000	76,200,000	4,600,000
Total	\$698,565,879	\$777,165,879	\$78,600,000

¹Includes \$650,000 for payments to school districts educating English language learner students as provided for in North Dakota Century Code (NDCC) Section 15.1-27-12.

²Includes \$400,000 for special education gifted and talented programs.

Other Sections in Bill

Special education gifted and talented programs - Section 6 provides that \$400,000 of the amount appropriated for state school aid must be used 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.

Payments for English language learner students - Section 7 provides that \$650,000 of the amount appropriated for state school aid is for payments to school districts educating English language learner students as provided in NDCC Section 15.1-27-12.

Continuing Appropriations

Instructional materials revolving printing fund - NDCC Section 15.1-03-03 - The fund is used for revenues and expenses associated with distributing instructional materials developed and printed by the department.

Displaced homemaker program - NDCC Chapter 14-06.1 - The fund is used to provide counseling, guidance, job readiness training, and services for displaced homemakers.

Major Related Legislation

Senate Bill No. 2023 - This bill provides a \$275,000 general fund deficiency appropriation for the 2005-07 biennium for operating expenses for the department.

Senate Bill No. 2108 - This bill changes the definition of a student with a disability for special education purposes to align the definition with federal regulations.

Senate Bill No. 2184 - This bill increases the length of the school calendar.

Senate Bill No. 2200 - This bill includes the provisions for a new state school aid program, including consolidating per student payments, teacher compensation payments, special education average daily membership payments, revenue supplemental payments, and tuition apportionment payments into a new state school aid funding formula. The bill also includes:

- A \$2 million general fund appropriation to the Superintendent of Public Instruction for providing joint powers agreement incentives.
- A \$1.2 million general fund appropriation to the State Board for Career and Technical Education for providing grants to assist with the establishment of two area career and technology centers.
- A \$800,000 general fund appropriation to the State Board for Career and Technical Education for funding the cooperative delivery of career and technical education.
- A \$10 million general fund appropriation to the Superintendent of Public Instruction for awarding school districts deferred maintenance and physical plant improvement grants.
- Contingent distributions of state school aid funding appropriated for the 2007-09 biennium.
- A contingent transfer from Bank of North Dakota earnings and accumulated and undivided profits in the amount the Superintendent of Public Instruction determines necessary to fully reimburse school districts for the excess costs of serving the 1 percent of special education students statewide who require the greatest school district expenditures.

Senate Bill No. 2240 - This bill provides for per student payments for kindergarten students.

House Bill No. 1169 - This bill removes the requirement that the Superintendent of Public Instruction hold a valid North Dakota professional teaching license.

House Bill No. 1178 - This bill amends the contingent distribution provisions for funds appropriated for reorganization bonuses for the 2005-07 biennium.

House Bill No. 1320 - This bill provides a \$500,000 general fund appropriation for providing grants to school districts offering prekindergarten programs and for administrative fees and monitoring expenses.

House Bill No. 1370 - This bill provides a \$250,000 general fund appropriation for afterschool learning program grants.

House Bill No. 1372 - This bill provides a \$250,000 general fund appropriation for a teacher mentoring program.