11.8163.03000

Sixty-second Legislative Assembly of North Dakota

FIRST ENGROSSMENT with House Amendments ENGROSSED SENATE BILL NO. 2013

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of 2 public instruction, the school for the deaf, North Dakota vision services - school for the blind, 3 and the state library; to provide for the distribution of funding for regional education association 4 grants, continuing education grants, gifted and talented programs and medicaid matching funds, 5 and other grants; to create and enact a new section to chapter 15.1-02 of the North Dakota 6 Century Code, relating to the North Dakota teacher of the year award; to amend and reenact 7 section 15.1-02-02 of the North Dakota Century Code, relating to the salary of the 8 superintendent of public instruction; to repeal section 15.1-13-33 of the North Dakota Century 9 Code, relating to the national board certification fund; to provide an exemption; to provide for a 10 transfer; to amend and reenact sections 54 and 59 of chapter 175 of the 2009 Session Laws, 11 relating to funds appropriated for transportation and state school aid; to amend and reenact 12 section 16 of chapter 13 of the 2009 Session Laws, relating to contingent supplemental 13 transportation aid payments; to provide a statement of legislative intent; to provide for reports to 14 the budget section and sixty-third legislative assembly; 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 school for the deaf, North Dakota vision services - school for the blind, and the state library for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

23 Subdivision 1.

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24 DEPARTMENT OF PUBLIC INSTRUCTION

1			Adjustments or	
2		Base Level	<u>Enhancements</u>	<u>Appropriation</u>
3	Salaries and wages	\$13,504,455	\$904,845	\$14,409,300
4	Operating expenses	30,770,801	(1,087,614)	29,683,187
5	Grants - State school aid	722,725,958	190,033,520	912,759,478
6	Grants - Special education contract	ts 15,500,000	500,000	16,000,000
7	Grants - Supplemental one-time	85,644,337	(85,644,337)	0
8	Grants - Supplemental operations	16,795,584	(16,795,584)	0
9	Grants - Transportation	43,500,000	5,000,000	48,500,000
10	Grants - Other grants	245,203,721	64,180,672	309,384,393
11	Grants - Mill levy reduction	295,000,000	(295,000,000)	0
12	ATCS review panel	0	300,000	300,000
13	Education jobs fund	0	21,517,716	21,517,716
14	Transportation efficiency	30,000	0	30,000
15	National board certification	102,500	<u>82,500</u>	<u>185,000</u>
16	Total all funds	\$1,468,777,356	(\$116,008,282)	\$1,352,769,074
17	Less estimated income	360,597,766	90,605,657	451,203,423
18	Total general fund	\$1,108,179,590	(\$206,613,939)	\$901,565,651
19	Full-time equivalent positions	99.75	0.00	99.75
20	Subdivision 2.			
21		STATE LIBRA	ARY	
22			Adjustments or	
23		Base Level	Enhancements	<u>Appropriation</u>
24	Salaries and wages	\$3,193,791	\$256,568	\$3,450,359
25	Operating expenses	1,482,573	213,153	1,695,726
26	Grants	<u>1,852,500</u>	400,000	2,252,500
27	Total all funds	\$6,528,864	\$869,721	\$7,398,585
28	Less estimated income	<u>1,927,836</u>	<u>206,774</u>	<u>2,134,610</u>
29	Total general fund	\$4,606,028	\$662,947	\$5,263,975
30	Full-time equivalent positions	29.75	0.00	29.75
31	Subdivision 3.			

1	SCHOOL FOR THE DEAF			
2	Adjustments or			
3		Base Level	Enhancements	<u>Appropriation</u>
4	Salaries and wages	\$5,429,998	\$502,640	\$5,932,638
5	Operating expenses	1,572,603	61,308	1,633,911
6	Capital assets	327,745	712,485	1,040,230
7	Grants	200,000	<u>0</u>	200,000
8	Total all funds	\$7,530,346	\$1,276,433	\$8,806,779
9	Less estimated income	<u>1,331,450</u>	<u>756,557</u>	<u>2,088,007</u>
10	Total general fund	\$6,198,896	\$519,876	\$6,718,772
11	Full-time equivalent positions	43.94	0.00	43.94
12	Subdivision 4.			
13	VISION SERVICES - SCHOOL FOR THE BLIND			
14			Adjustments or	
15		Base Level	Enhancements	<u>Appropriation</u>
16	Salaries and wages	\$3,531,264	\$284,561	\$3,815,825
17	Operating expenses	667,006	84,500	751,506
18	Capital assets	<u>39,500</u>	<u>25,500</u>	<u>65,000</u>
19	Total all funds	\$4,237,770	\$394,561	\$4,632,331
20	Less estimated income	<u>815,902</u>	<u>19,189</u>	<u>835,091</u>
21	Total general fund	\$3,421,868	\$375,372	\$3,797,240
22	Full-time equivalent positions	29.50	0.00	29.50
23	Subdivision 5.			
24		BILL TOTAL		
25			Adjustments or	
26		Base Level	Enhancements	<u>Appropriation</u>
27	Grand total general fund	\$1,122,401,382	(\$205,055,744)	\$917,345,638
28	Grand total special funds	\$364,672,954	\$101,588,177	\$466,261,131
29	Grand total all funds	\$1,487,074,336	(\$103,467,567)	\$1,383,606,769
30	SECTION 2. ONE-TIME FUN	IDING - EFFECT ON	BASE BUDGET - RE	EPORT TO
31	SIXTY-THIRD LEGISLATIVE AS	SEMBLY. The following	ng amounts reflect the	e one-time funding

1 items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13

2 one-time funding items included in the appropriation in section 1 of this Act:

3	One-Time Funding Description	2009-11	<u>2011-13</u>
4	Department of public instruction		
5	IT application rewrite and maintenance	\$500,000	\$384,000
6	National board certification fund	500,000	0
7	Federal fiscal stimulus - School aid	85,644,337	0
8	Federal fiscal stimulus - Other	67,379,051	0
9	Geographic alliance endowment	226,000	<u>0</u>
10	Total department of public instruction - All funds	\$154,249,388	\$384,000
11	Total department of public instruction -	153,023,388	<u>0</u>
12	Estimated income		
13	Total department of public instruction -	\$1,226,000	\$384,000
14	General fund		
15	School for the deaf		
16	Virtual services business plan	\$25,000	\$0
17	Facility master plan	41,000	0
18	Extraordinary repairs	0	103,800
19	Trades building remodel	<u>1,670,000</u>	<u>0</u>
20	Total school for the deaf - All funds	\$1,736,000	\$103,800
21	Total school for the deaf - Estimated income	<u>835,000</u>	<u>0</u>
22	Total school for the deaf - General fund	\$901,000	\$103,800
23	School for the blind - Vision services		
24	Equipment	\$39,200	\$25,500
25	Window replacement	31,000	0
26	Facility master plan	0	20,000
27	Instructional equipment	<u>0</u>	<u>24,500</u>
28	Total school for the blind - All funds	\$70,200	\$70,000
29	Total school for the blind - Estimated income	<u>0</u>	<u>0</u>
30	Total school for the blind - General fund	\$70,200	\$70,000
31	Grand total - All funds	\$156,055,588	\$557,800

1	Grand total - Estimated income	\$153,858,388	\$0
2	Grand total - General fund	\$2,197,200	\$557,800
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	The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The department of public instruction, school for the deaf, and school for the		
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5	blind - vision services shall report to the	,	J
6	assembly on the use of this one-time fur	nding for the blennium beginning July 1	., 2011, and
7	ending June 30, 2013.		
8		ANDS AND MINERALS TRUST FUND	
9	BOARD OF HIGHER EDUCATION. The	ere is appropriated out of any moneys i	n the lands and
10	minerals trust fund in the state treasury,	not otherwise appropriated, the sum o	f \$10,000,000, or
11	so much of the sum as may be necessa	ry, to the state board of higher education	on for the
12	purpose of providing North Dakota acad	emic and career and technical educati	on scholarships,
13	for the biennium beginning July 1, 2011,	and ending June 30, 2013.	
14	SECTION 4. APPROPRIATION. The	ere is appropriated from special funds	derived from
15	federal funds the sum of \$30,000,000, o	r so much of the sum as may be neces	ssary, to the
16	superintendent of public instruction for g	rants for the period beginning with the	effective date of
17	this Act and ending June 30, 2011.		
18	SECTION 5. APPROPRIATION - TU	JITION APPORTIONMENT. The sum of	of \$101,638,000,
19	included in the grants - state school aid	line item in subdivision 1 of section 1 of	of this Act, is from
20	the state tuition fund in the state treasury	y. Any additional amount in the state tu	ition fund that
21	becomes available for distribution to pub	olic schools is appropriated to the depa	rtment of public
22	instruction for that purpose for the bienn	ium beginning July 1, 2011, and ending	g June 30, 2013.
23	SECTION 6. STATE SCHOOL AID	AND SPECIAL EDUCATION CONTRA	ACTS
24	EXPENDITURE AUTHORITY. The supe	rintendent of public instruction may ex	pend funds
25	included in the grants - state school aid	and grants - special education contrac	ts line items in
26	subdivision 1 of section 1 of this Act in p	ayment of grants for educational service	ces that were due
27	in the 2009-11 biennium but which were	not filed, claimed, or properly supporte	ed by the
28	education provider until after June 30, 20	011.	
29	SECTION 7. REGIONAL EDUCATION	ON ASSOCIATIONS - GRANTS. Durin	ng the 2011-13
30	biennium, the superintendent of public in	nstruction shall expend up to \$800,000	from the grants -
31	state school aid line item in subdivision	1 of section 1 of this Act for the purpos	e of providing an

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the second year of the biennium.

- annual grant to each eligible regional education association in order to assist each association
 with the cost of compensating a coordinator.
 - In order to receive a grant under this section, each regional education association must:
 - a. Enter a contract with an individual to serve as a coordinator, on a full-time or a part-time basis, for a duration of at least twelve months; and
 - Provide from other revenue sources at least thirty percent of the total compensation payable to the coordinator.
 - 2. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or seventy percent of the total compensation payable to the coordinator.

SECTION 8. RESERVED FUNDS - CONTINGENT ADULT EDUCATION LEARNING

CENTER GRANTS. The sum of \$500,000, or so much of the sum as may be necessary, made available under section 19 of this Act, must be used by the department of public instruction for providing adult education learning center grants, for the biennium beginning July 1, 2011, and ending June 30, 2013. The department may provide grants of up to \$250,000 during the first year of the biennium only if federal funding available to the state for adult education is less than \$900,000 in federal fiscal year 2012. Funding provided in the first year of the biennium is limited to the difference between federal funding available in federal fiscal year 2012 and \$900,000. The department may use any remaining funds for adult education learning center grants during

- **SECTION 9. CONTINUING EDUCATION GRANTS FUNDING DISTRIBUTION.** The sum of \$100,000, or so much of the sum as may be necessary, included in the grants other grants line item in subdivision 1 of section 1 of this Act is provided for continuing education grants, for the biennium beginning July 1, 2011, and ending June 30, 2013.
 - 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

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- 1 Be enrolled at an institution of higher education in this state in either a (3) 2 master of education program in educational leadership or a program leading 3 to a specialist diploma in educational leadership; 4 b. Be pursuing the requirements for a certificate in career development facilitation; 5 or 6 C. Be pursuing a school counselor credential. 7 2. If any of the amount appropriated for this purpose remains after the superintendent of 8 public instruction has awarded grants to all eligible recipients, the superintendent shall 9 distribute that amount as an additional per student payment on a prorated basis, 10 according to the latest available average daily membership of each school district. 11 SECTION 10. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING - FUNDING 12 - DISTRIBUTION. 13 The sum of \$800,000, included in the grants - state school aid line item in 14 subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts 15 or special education units for gifted and talented programs upon the submission of an 16 application that is approved in accordance with guidelines adopted by the 17 superintendent of public instruction. The superintendent of public instruction shall 18 encourage cooperative efforts for gifted and talented programs among school districts 19 and special education units. 20 2. State school aid payments for special education must be reduced by the amount of 21 matching funds required to be paid by school districts or special education units for 22 students participating in the medicaid program. Special education funds equal to the 23 amount of the matching funds required to be paid by the school district or special 24 education unit must be paid by the superintendent of public instruction to the 25 department of human services on behalf of the school district or unit. 26 SECTION 11. INDIRECT COST ALLOCATION. Notwithstanding section 54-44.1-15, the 27 department of public instruction may deposit indirect cost recoveries in its operating account. 28 SECTION 12. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in
 - subdivision 2 of section 1 of this Act includes \$1,500,000 for aid to public libraries, of which no more than one-half is to be expended during the fiscal year ending June 30, 2012.

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Legislative Assembly 1 SECTION 13. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND 2 OPERATING FUND. Any moneys included in the estimated income line item in subdivision 4 of 3 section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the 4 North Dakota vision services - school for the blind operating fund in the state treasury and may 5 be spent subject to appropriation by the legislative assembly. 6 SECTION 14. SCHOOL FOR THE DEAF - EXEMPTION - TRANSFER. Up to \$835,000 of 7 the amount appropriated to the school for the deaf from the general fund, as provided in 8 chapter 13 of the 2009 Session Laws, for the trades building remodeling project and not spent 9 or obligated as of June 30, 2011, is not subject to the provisions of section 54-44.1-11 and shall 10 be transferred by the director of the office of management and budget to the school for the deaf

SECTION 15. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT **PROGRAM.** The grants line item contained 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, 2011, and ending June 30, 2013. Moneys appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed pursuant to the provisions of this section:

fund during the biennium beginning July 1, 2011, and ending June 30, 2013.

- 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 a 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.
- The school for the deaf may not distribute more than fifty percent of the amount 3. appropriated during the first year of the biennium.
- 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.

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1 At the request of an institution under the control of the state board of higher education, 2 the school for the deaf shall consult with the institution and provide advice regarding 3 the provision of services most appropriate to meet a student's needs. 4 SECTION 16. A new section to chapter 15.1-02 of the North Dakota Century Code is 5 created and enacted as follows: 6 North Dakota teacher of the year award - Selection - Announcement. 7 The superintendent of public instruction shall administer a teacher of the year 1. 8 program. The superintendent of public instruction shall coordinate the annual event, 9 including preparation of application materials, distribution of materials to the selection 10 committee, and publicity arrangements for the North Dakota teacher of the year 11 award. 12 2. By September thirtieth of each year, the governor and the superintendent of public 13 instruction shall jointly announce the award recipient and serve as the exclusive hosts 14 of a ceremony and reception honoring the teacher of the year. The ceremony and 15 reception must take place in the memorial hall of the state capitol or, if requested by 16 the award recipient, at a location in the municipality within which the recipient resides 17 or works. 18 <u>3.</u> The selection committee must be appointed by the superintendent of public instruction 19 and may not include more than one representative from any education-related 20 organization or association. 21 SECTION 17. AMENDMENT. Section 16 of chapter 13 of the 2009 Session Laws is 22 amended and reenacted as follows: 23 **SECTION 16. CONTINGENT APPROPRIATION - SUPPLEMENTAL** 24 TRANSPORTATION AID PAYMENTS. 25 1. There is appropriated out of any moneys in the general fund in the state treasury, 26 not otherwise appropriated, the sum of \$5,000,000\$2,500,000, or so much of the 27 sum as may be necessary, to the superintendent of public instruction for the 28 purpose of providing supplemental transportation aid payments, for the biennium 29 beginning July 1, 2009, and ending June 30, 2011.

If the office of management and budget determines by July 31, 2010, that the

June 30, 2011, ending balance of the state general fund will be more than

1 \$30,000,000 in excess of the amount predicted by the office of management and 2 budget at the conclusion of the 2009 legislative session, the superintendent of 3 public instruction shall provide \$5,000,000\$2,500,000 as supplemental 4 transportation aid payments to school districts. 5 3. If the general fund balance requirements of subsection 2 are not met and if the 6 office of management and budget determines by April 30, 2011, that the June 30, 7 2011, ending balance of the state general fund will be more than \$30,000,000 in 8 excess of the amount predicted by the office of management and budget at the 9 conclusion of the 2009 legislative session, the superintendent of public instruction 10 shall provide \$5,000,000\$2,500,000 as supplemental transportation aid 11 payments to school districts. 12 4. The superintendent of public instruction shall pro rate the supplemental 13 transportation payments according to the percentage of the total transportation 14 formula amount that each school district is entitled to receive under 2009 House 15 Bill No. 1400 as approved by the sixty-first legislative assembly. 16 SECTION 18. AMENDMENT. Section 54 of chapter 175 of the 2009 Session Laws is 17 amended and reenacted as follows: 18 **SECTION 54. TRANSPORTATION GRANTS - DISTRIBUTION.** 19 During each year of the 2009-11 biennium, the superintendent of public 20 instruction shall calculate the payment to which each school district is entitled 21 based on the state transportation formula as it existed on June 30, 2001, except 22 that the superintendent shall provide reimbursement at the rate of: 23 Ninety-two cents per mile for schoolbuses having a capacity of ten or more 24 passengers; 25 Forty-four cents per mile for vehicles having a capacity of nine or fewer 26 passengers; and 27 Twenty-four cents per student for each one-way trip. 28 2. The superintendent of public instruction shall use the latest available student 29 enrollment count in each school district in applying the provisions of the 30 transportation formula as it existed on June 30, 2001.

- 3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate:
 - a. Reserve the first one million dollars, which is not subject to the provisions of section 54-44.1-11 and must be used to provide per student payments during the biennium beginning July 1, 2011, and ending June 30, 2013.
 - <u>b.</u> <u>Prorate</u> the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
- This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

SECTION 19. AMENDMENT. Section 59 of chapter 175 of the 2009 Session Laws is amended and reenacted as follows:

SECTION 59. CONTINGENT MONEY - 2009-11.

- In determining the availability of contingent money under this section, the superintendent of public instruction shall first add to the money in the grants state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly, any money that was appropriated to the superintendent for special education contracts and which remains after the superintendent complied with all statutory special education contract payment obligations imposed for the biennium beginning July 1, 2009, and ending June 30, 2011.
- 2. If any money that was appropriated to the superintendent of public instruction for grants state aid payments to school districts or added to the grants state school aid line item in accordance with subsection 1 remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2009, and ending June 30, 2011, the superintendent shall use:

1	<u>a.</u>	Reserve the first eight million dollars, which is not subject to the provisions	
2		of section 54-44.1-11 and must be used to provide per student payments	
3		during the biennium beginning July 1, 2011, and ending June 30, 2013.	
4	<u>b.</u>	Reserve the next five hundred thousand dollars, which is not subject to the	
5		provisions of section 54-44.1-11 and must be used in accordance with	
6		section 8 of this Act.	
7	<u>C.</u>	<u>Use</u> the money to provide additional per student payments on a prorated	
8		basis according to the latest available average daily membership of each	
9		school district.	
10	SECTION 20.	TRANSFER - NATIONAL BOARD CERTIFICATION FUND - GENERAL	
11	FUND. The office	of management and budget shall transfer any balance remaining in the	
12	national board cer	tification fund at the end of the 2011-13 biennium to the general fund. For	
13	purposes of this section, "at the end of the 2011-13 biennium" means after cancellation of		
14	unexpended appropriations under section 54-44.1-11.		
15	SECTION 21.	LEGISLATIVE INTENT - 2013-15 SCHOOL FOR THE DEAF	
16	APPROPRIATION	BILL. It is the intent of the sixty-second legislative assembly that the	
17	governor include the	he recommended funding for the school for the deaf in a separate draft	
18	appropriations act	for introduction to the sixty-third legislative assembly.	
19	SECTION 22.	REPORT TO THE BUDGET SECTION AND THE SIXTY-THIRD	
20	LEGISLATIVE AS	SEMBLY. The superintendent of public instruction shall provide a report to	
21	the budget section	by September 30, 2012 and to the sixty-third legislative assembly on the	
22	development of alt	ternative teacher compensation plans. The report must include use of the	
23	funding, number o	f plans developed, summary of plan variances, criteria for teacher	
24	performance revie	w, and recommendations.	
25	SECTION 23.	AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code is	
26	amended and reer	nacted as follows:	
27	15.1-02-02. Sa	alary.	
28	The annual sa	lary of the superintendent of public instruction is ninety-fiveone hundred two	
29	thousand one eight	thundred sixteensixty-eight dollars through June 30, 2010 2012, and	
30	ninety-nineone hu	<u>ndred five</u> thousand <u>eightnine</u> hundred seventy-two fifty-four dollars thereafter	
31	SECTION 24	REPEAL. Section 15 1-13-33 of the North Dakota Century Code is repealed.	

Sixty-second Legislative Assembly

- 1 **SECTION 25. EMERGENCY.** Sections 4,17, 18, and 19 of this Act and \$21,517,716
- 2 appropriated in the education jobs fund line item in subdivision 1 of section 1 of this Act are
- 3 declared to be an emergency measure.