

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 state library, the school for the deaf, and the North Dakota vision
3 services - school for the blind; to create and enact a new section to chapter 25-06 and a new
4 section to chapter 25-07 of the North Dakota Century Code, relating to the school for the blind
5 fund and the school for the deaf fund; to amend and reenact section 15.1-02-02 of the North
6 Dakota Century Code, relating to the salary of the superintendent of public instruction; and to
7 provide for a transfer.

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

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
10 as may be necessary, are appropriated out of any moneys in the general fund in the state
11 treasury, not otherwise appropriated, and from special funds derived from federal funds and
12 other income, to the department of public instruction, the school for the deaf, North Dakota
13 vision services - school for the blind, and the state library for the purpose of defraying the
14 expenses of those agencies, for the biennium beginning July 1, 2017, and ending June 30,
15 2019, as follows:

16 Subdivision 1.

17 DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
18				
19				
20	Salaries and wages	\$18,280,006	\$111,164	\$18,391,170
21	Operating expenses	30,517,072	(312,842)	30,204,230
22	Integrated formula payments	1,916,640,000	30,480,547	1,947,120,547
23	Grants - special education	17,300,000	2,000,000	19,300,000
24	Grants - transportation	57,000,000	(5,700,000)	51,300,000

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1	Grants - other grants	267,807,227	(5,778,861)	262,028,366
2	PowerSchool	6,000,000	(500,000)	5,500,000
3	Transportation efficiency	30,000	0	30,000
4	National board certification	<u>120,000</u>	<u>0</u>	<u>120,000</u>
5	Total all funds	\$2,313,694,305	\$20,300,008	\$2,333,994,313
6	Less estimated income	<u>624,685,766</u>	<u>106,826,056</u>	<u>731,511,822</u>
7	Total general fund	\$1,689,008,539	(\$86,526,048)	\$1,602,482,491
8	Full-time equivalent positions	99.75	(2.00)	97.75
9	Subdivision 2.			

10 STATE LIBRARY

11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Salaries and wages	\$4,019,839	\$397,732	\$4,417,571
14	Operating expenses	1,713,393	(99,318)	1,614,075
15	Grants	<u>2,785,500</u>	<u>494,300</u>	<u>2,291,200</u>
16	Total all funds	\$8,518,732	(\$195,886)	\$8,322,846
17	Less estimated income	<u>2,438,751</u>	<u>(188,309)</u>	<u>2,250,442</u>
18	Total general fund	\$6,079,981	(\$7,577)	\$6,072,404
19	Full-time equivalent positions	29.75	0.00	29.75
20	Subdivision 3.			

21 SCHOOL FOR THE DEAF

22			Adjustments or	
23		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24	Salaries and wages	\$7,291,854	\$373,717	\$7,665,571
25	Operating expenses	1,925,163	96,277	2,021,440
26	Capital assets	227,174	1,489,504	1,716,678
27	Grants	<u>186,900</u>	<u>(6,900)</u>	<u>180,000</u>
28	Total all funds	\$9,631,091	\$1,952,598	\$11,583,689
29	Less estimated income	<u>1,089,210</u>	<u>2,249,615</u>	<u>3,338,825</u>
30	Total general fund	\$8,541,881	(\$297,017)	\$8,244,864
31	Full-time equivalent positions	45.61	0.00	45.61

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1 Subdivision 4.

2 NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

3		Adjustments or		
4		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5	Salaries and wages	\$4,554,349	\$398,680	\$4,953,029
6	Operating expenses	739,169	4,037	743,206
7	Capital assets	<u>24,454</u>	<u>150,238</u>	<u>174,692</u>
8	Total all funds	\$5,317,972	\$552,955	\$5,870,927
9	Less estimated income	<u>569,325</u>	<u>606,244</u>	<u>1,175,569</u>
10	Total general fund	\$4,748,647	(\$53,289)	\$4,695,358
11	Full-time equivalent positions	30.00	(0.50)	29.50

12 Subdivision 5.

13 BILL TOTAL

14		Adjustments or		
15		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16	Grand total general fund	\$1,708,379,048	(\$86,883,931)	\$1,621,495,117
17	Grand total special funds	<u>628,783,052</u>	<u>109,493,606</u>	<u>738,276,658</u>
18	Grand total all funds	\$2,337,162,100	\$22,609,675	\$2,359,771,775

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

20 **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 21 items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the
 22 2017-19 one-time funding items included in the appropriation in section 1 of this Act:

23	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
24	Department of public instruction		
25	Cardiopulmonary resuscitation training grants	\$165,500	0
26	Free or reduced meals IT	30,000	0
27	Rapid enrollment grants	<u>12,504,530</u>	<u>0</u>
28	Total department of public instruction - general fund	\$12,700,030	\$0
29	State library		
30	Library repair grants	<u>\$250,000</u>	<u>\$0</u>
31	Total state library - general fund	\$250,000	\$0

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1	School for the deaf		
2	Extraordinary repairs	<u>\$600,000</u>	<u>\$0</u>
3	Total school for the deaf - estimated income	\$600,000	\$0
4	North Dakota vision services - school for the blind		
5	Equipment	\$21,000	\$0
6	Special assessments payoff	19,000	0
7	Server and access points	16,000	0
8	Water line replacement	0	60,000
9	Other projects	<u>0</u>	<u>38,500</u>
10	Total school for the blind - estimated income	\$56,000	\$98,500
11	Grand total - all funds	\$13,606,030	\$98,500
12	Grand total - estimated income	<u>656,000</u>	<u>98,500</u>
13	Grand total - general fund	\$12,950,030	\$0

14 The 2017-19 one-time funding amounts are not a part of the entity's base budget for the
15 2019-21 biennium. The North Dakota vision services - school for the blind shall report to the
16 appropriations committees of the sixty-sixth legislative assembly on the use of this one-time
17 funding for the biennium beginning July 1, 2017, and ending June 30, 2019.

18 **SECTION 3. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$301,264,000,
19 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is
20 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund
21 that becomes available for distribution to public schools is appropriated to the department of
22 public instruction for that purpose for the biennium beginning July 1, 2017, and ending June 30,
23 2019.

24 **SECTION 4. TRANSFER.** The office of management and budget shall transfer, on a
25 quarterly basis, a total of \$140,000,000 from the foundation aid stabilization fund to the
26 operating fund of the department of public instruction for the purpose of covering expenses in
27 the integrated formula payment line in subdivision 1 of section 1 of this Act, for the biennium
28 beginning July 1, 2017, and ending June 30, 2019.

29 **SECTION 5. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**
30 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may
31 expend funds included in the integrated formula payments and grants - special education

1 contracts line items in subdivision 1 of section 1 of this Act in payment of grants for educational
2 services that were due in the 2015-17 biennium but which were not filed, claimed, or properly
3 supported by the education provider until after June 30, 2017.

4 **SECTION 6. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING -**
5 **DISTRIBUTION.**

- 6 1. The sum of \$800,000, included in the integrated formula payments line item in
7 subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts
8 or special education units for gifted and talented programs upon the submission of an
9 application that is approved in accordance with guidelines adopted by the
10 superintendent of public instruction. The superintendent of public instruction shall
11 encourage cooperative efforts for gifted and talented programs among school districts
12 and special education units.
- 13 2. State school aid payments for special education must be reduced by the amount of
14 matching funds required to be paid by school districts or special education units for
15 students participating in the medicaid program. Special education funds equal to the
16 amount of the matching funds required to be paid by the school district or special
17 education unit must be paid by the superintendent of public instruction to the
18 department of human services on behalf of the school district or unit.

19 **SECTION 7. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2017-19
20 biennium, the superintendent of public instruction shall expend up to \$800,000 from the
21 integrated formula payments line item in subdivision 1 of section 1 of this Act for the purpose of
22 providing an annual grant to each eligible regional education association in order to assist each
23 association with the cost of compensating a coordinator.

- 24 1. To receive a grant under this section, each regional education association must:
25 a. Enter a contract with an individual to serve as a coordinator, on a full-time or a
26 part-time basis, for a duration of at least twelve months; and
27 b. Provide from other revenue sources at least thirty percent of the total
28 compensation payable to the coordinator.
- 29 2. The maximum grant payable to a regional education association under this section
30 during each year of the biennium is the lesser of \$50,000 or seventy percent of the
31 total compensation payable to the coordinator.

1 **SECTION 8. TRANSPORTATION GRANTS - DISTRIBUTION.**

2 1. During each year of the 2017-19 biennium, the superintendent of public instruction
3 shall calculate the payment to which each school district is entitled based on the state
4 transportation formula as it existed on June 30, 2001, except that the superintendent
5 shall provide reimbursement at the rate of:

6 a. One dollar and three cents per mile for school buses having a capacity of ten or
7 more passengers;

8 b. Forty-eight cents per mile for vehicles having a capacity of nine or fewer
9 passengers;

10 c. Forty-eight cents per mile, provided;

11 (1) The student being transported is a student with a disability, as defined in
12 chapter 15.1-32;

13 (2) The student's individualized education program plan requires that the
14 student attend a public or a nonpublic school located outside the student's
15 school district of residence;

16 (3) The student is transported by an adult member of the student's family;

17 (4) The student is transported in a vehicle furnished by the student's parents;

18 (5) The student's transportation is paid for by the student's parents; and

19 (6) The reimbursement does not exceed two round trips daily between the
20 student's home and school.

21 d. Forty-eight cents per mile, one way, provided:

22 (1) The student being transported resides more than two miles from the public
23 school that the student attends;

24 (2) The student is transported by an adult member of the student's family;

25 (3) The student is transported in a vehicle furnished by the student's parents;
26 and

27 (4) The student's transportation is paid for by the student's parents.

28 e. Twenty-eight cents per student for each one-way trip.

29 2. The superintendent of public instruction shall use the latest available student
30 enrollment count in each school district in applying the provisions of subsection 1.

- 1 3. If any moneys provided for transportation payments in the grants - transportation line
2 item in subdivision 1 of section 1 of this Act, remain after application of the formula
3 provided for in this section, the superintendent of public instruction shall prorate the
4 remaining amounts according to the percentage of the total transportation formula
5 amount to which each school district is entitled.
- 6 4. This section does not authorize the reimbursement of any costs incurred in providing
7 transportation for student attendance at extracurricular activities or events.

8 **SECTION 9. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION.** The
9 sum of \$125,000, or so much of the sum as may be necessary, included in the grants - other
10 grants line item in subdivision 1 of section 1 of this Act is provided for continuing education
11 grants, for the biennium beginning July 1, 2017, and ending June 30, 2019.

- 12 1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to
13 eligible recipients in chronological order, based on the date of an individual's
14 application. An eligible recipient must:
- 15 a. (1) Be licensed to teach by the education standards and practices board;
16 (2) Have taught in this state during each of the last three school years; and
17 (3) Be enrolled at an institution of higher education in this state in either a
18 master of education program in educational leadership or a program leading
19 to a specialist diploma in educational leadership;
- 20 b. Be pursuing the requirements for a certificate in career development facilitation;
21 or
22 c. Be pursuing a school counselor credential.
- 23 2. If any of the amount appropriated for this purpose remains after the superintendent of
24 public instruction has awarded grants to all eligible recipients, the superintendent shall
25 distribute that amount as an additional per student payment on a prorated basis,
26 according to the latest available average daily membership of each school district.

27 **SECTION 10. INDIRECT COST ALLOCATION.** Notwithstanding section 54-44.1-15, the
28 department of public instruction may deposit indirect cost recoveries in its operating account.

29 **SECTION 11. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
30 subdivision 2 of section 1 of this Act includes \$1,919,700 for aid to public libraries, of which no
31 more than one-half is to be expended during the fiscal year ending June 30, 2018.

1 **SECTION 12. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT**

2 **PROGRAM.** The grants line item contained in subdivision 3 of section 1 of this Act is for the
3 purpose of providing grants to assist institutions under the control of the state board of higher
4 education with the cost of interpreters and real-time captioning for students who are deaf or
5 hard of hearing, for the biennium beginning July 1, 2017, and ending June 30, 2019. Moneys
6 appropriated for this program are not subject to section 54-44.1-11. Funds must be distributed
7 pursuant to the provisions of this section:

- 8 1. The school for the deaf shall develop a formula to determine the grant amount for
9 which an institution is eligible. The formula must be based on an uniform hourly
10 reimbursement.
- 11 2. To obtain a grant under this section, an institution shall submit to the school for the
12 deaf, at the time and in the manner directed by the school, invoices showing the
13 amount expended for interpreters and real-time captioning for students who are deaf
14 or hard of hearing.
- 15 3. The school for the deaf may not distribute more than fifty percent of the amount
16 appropriated during the first year of the biennium.
- 17 4. If any grant moneys remain undistributed at the end of the biennium, the school for the
18 deaf shall provide additional prorated grants to institutions that incurred, during the
19 biennium, hourly expenses in excess of the formula reimbursement level.
- 20 5. At the request of an institution under the control of the state board of higher education,
21 the school for the deaf shall consult with the institution and provide advice regarding
22 the provision of services most appropriate to meet a student's needs.

23 **SECTION 13. STATE SCHOOL AID PROGRAM.** The sum of \$1,947,120,547 included in
24 the integrated formula payments line item in subdivision 1 of section 1 of this Act was calculated
25 with the following assumption: Per student payment rates remain at \$9,646 for the 2017-18
26 academic year and increase to \$9,742 for the 2018-19 academic year.

27 **SECTION 14. GRANTS - OTHER GRANTS.** The line item entitled grants - other grants in
28 subdivision 1 of section 1 of this Act contains \$7,965,661 of passthrough grants, of which no
29 more than one-half is to be expended during the fiscal year ending June 30, 2018.

30 **SECTION 15. CONTINGENT APPROPRIATION - DEPARTMENT OF PUBLIC**
31 **INSTRUCTION - STUDENT CONTRACTS AND TRANSPORTATION GRANTS.** If any funding

1 appropriated to the superintendent of public instruction for integrated formula payments to
2 school districts remains after the superintendent complies with all statutory payment obligations
3 imposed for the biennium beginning July 1, 2015, and ending June 30, 2017, the
4 superintendent shall:

- 5 1. Use the funds to pay any state obligations in excess of the amount appropriated for
6 grants - special education contracts for the biennium beginning July 1, 2015, and
7 ending June 30, 2017.
- 8 2. Use any remaining funds to pay state obligations in excess of the amount appropriated
9 for grants - transportation for the biennium beginning July 1, 2015, and ending
10 June 30, 2017.

11 **SECTION 16. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **15.1-02-02. Salary.**

14 The annual salary of the superintendent of public instruction is ~~one hundred sixteen-~~
15 ~~thousand nine hundred three dollars through June 30, 2016,~~ and one hundred twenty thousand
16 four hundred ten dollars through June 30, 2018, and one hundred twenty-one thousand six
17 hundred fourteen dollars thereafter.

18 **SECTION 17.** A new section to chapter 25-06 of the North Dakota Century Code is created
19 and enacted as follows:

20 **School for the blind fund.**

21 The school for the blind fund is a special fund in the state treasury. All moneys received
22 from North Dakota department of trust lands, contributions, and revenues received from the
23 provision of services and from the lease of buildings and land must be deposited in the fund.
24 Moneys in the fund are to be used pursuant to legislative appropriation for the provision of
25 services under this chapter.

26 **SECTION 18.** A new section to chapter 25-07 of the North Dakota Century Code is created
27 and enacted as follows:

28 **School for the deaf fund.**

29 The school for the deaf fund is a special fund in the state treasury. All moneys received from
30 the North Dakota department of trust lands, and all revenues received from the lease of
31 buildings and the provision of meals and services, including interpreter services, must be

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- 1 deposited in this fund. Moneys in the fund are to be used pursuant to legislative appropriation
- 2 for provision of services under this chapter.