

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1013

Introduced by

Appropriations Committee

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 repeal section 6-09-45 of the North Dakota Century
6 Code and section 13 of chapter 49 of the 2015 Session Laws, relating to a required transfer
7 from the Bank of North Dakota and a contingent appropriation; to provide exemptions; to
8 provide for a transfer; to provide for a legislative management study; and to declare an
9 emergency.

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

11 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
12 as may be necessary, are appropriated out of any moneys in the general fund in the state
13 treasury, not otherwise appropriated, and from special funds derived from federal funds and
14 other income, to the department of public instruction, the school for the deaf, North Dakota
15 vision services - school for the blind, and the state library for the purpose of defraying the
16 expenses of those agencies, for the biennium beginning July 1, 2017, and ending June 30,
17 2019, as follows:

18 Subdivision 1.

19 DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
22 Salaries and wages	\$18,280,006	(\$815,828)	\$17,464,178
23 Operating expenses	30,517,072	(352,067)	30,165,005
24 Integrated formula payments	1,916,640,000	23,655,041	1,940,295,041

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1	Grants - special education	17,300,000	2,000,000	19,300,000
2	Grants - transportation	57,000,000	(5,700,000)	51,300,000
3	Grants - other grants	267,807,227	(13,744,522)	254,062,705
4	Grants - program grants	0	6,115,000	6,115,000
5	Grants - passthrough grants	0	2,378,000	2,378,000
6	PowerSchool	6,000,000	(500,000)	5,500,000
7	Transportation efficiency	30,000	0	30,000
8	National board certification	<u>120,000</u>	<u>0</u>	<u>120,000</u>
9	Total all funds	\$2,313,694,305	\$13,035,624	\$2,326,729,929
10	Less estimated income	<u>624,685,766</u>	<u>241,055,491</u>	<u>865,741,257</u>
11	Total general fund	\$1,689,008,539	(\$228,019,867)	\$1,460,988,672
12	Full-time equivalent positions	99.75	(8.00)	91.75

Subdivision 2.

STATE LIBRARY

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
17	Salaries and wages	\$4,019,839	\$138,933	\$4,158,772
18	Operating expenses	1,713,393	(109,318)	1,604,075
19	Grants	<u>2,785,500</u>	<u>(676,472)</u>	<u>2,109,028</u>
20	Total all funds	\$8,518,732	(\$646,857)	\$7,871,875
21	Less estimated income	<u>2,438,751</u>	<u>(190,402)</u>	<u>2,248,349</u>
22	Total general fund	\$6,079,981	(\$456,455)	\$5,623,526
23	Full-time equivalent positions	29.75	(1.00)	28.75

Subdivision 3.

SCHOOL FOR THE DEAF

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
28	Salaries and wages	\$7,291,854	\$206,353	\$7,498,207
29	Operating expenses	1,925,163	51,380	1,976,543
30	Capital assets	227,174	664,504	891,678
31	Grants	<u>186,900</u>	<u>(6,900)</u>	<u>180,000</u>

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1	Total all funds	\$9,631,091	\$915,337	\$10,546,428
2	Less estimated income	<u>1,089,210</u>	<u>2,109,514</u>	<u>3,198,724</u>
3	Total general fund	\$8,541,881	(\$1,194,177)	\$7,347,704
4	Full-time equivalent positions	45.61	(1.00)	44.61
5	Subdivision 4.			

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Salaries and wages	\$4,554,349	\$113,075	\$4,667,424
10	Operating expenses	739,169	4,037	743,206
11	Capital assets	<u>24,454</u>	<u>150,238</u>	<u>174,692</u>
12	Total all funds	\$5,317,972	\$267,350	\$5,585,322
13	Less estimated income	<u>569,325</u>	<u>645,428</u>	<u>1,214,753</u>
14	Total general fund	\$4,748,647	(\$378,078)	\$4,370,569
15	Full-time equivalent positions	30.00	(1.50)	28.50
16	Subdivision 5.			

BILL TOTAL

18			Adjustments or	
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	Grand total general fund	\$1,708,379,048	(\$230,048,577)	\$1,478,330,471
21	Grand total special funds	<u>628,783,052</u>	<u>243,620,031</u>	<u>872,403,083</u>
22	Grand total all funds	\$2,337,162,100	\$13,571,454	\$2,350,733,554

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in subdivisions 1, 2, 3, and 4 of section 1 of this Act include funding from the general fund and special funds for increases in employee health insurance premiums from \$1,130 to \$1,249 per month. Total funding provided is as follows:

27		<u>General fund</u>	<u>Special funds</u>	<u>Total</u>
28	Department of public instruction	\$87,454	\$195,878	\$283,332
29	State library	74,972	10,889	85,861
30	School for the deaf	126,672	3,864	130,536
31	North Dakota vision services -			

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1	school for the blind	<u>91,508</u>	<u>76</u>	<u>91,584</u>
2	Total	\$380,606	\$210,707	\$591,313

3 **SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-**

4 **SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items
5 approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the
6 2017-19 one-time funding items included in the appropriations in section 1 of this Act:

7	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
8	Department of public instruction		
9	Cardiopulmonary resuscitation training grants	\$165,500	\$0
10	Free or reduced meals information technology	30,000	0
11	Rapid enrollment grants	12,504,530	0
12	Integrated formula payments	<u>0</u>	<u>160,000,000</u>
13	Total department of public instruction - all funds	\$12,700,030	\$160,000,000
14	Total department of public instruction - estimated income	<u>0</u>	<u>160,000,000</u>
15	Total department of public instruction - general fund	\$12,700,030	\$0
16	State library		
17	Library repair grants	<u>\$250,000</u>	<u>\$0</u>
18	Total state library - general fund	\$250,000	\$0
19	School for the deaf		
20	Extraordinary repairs	\$600,000	\$675,000
21	Equipment	0	28,000
22	Video equipment and software	<u>0</u>	<u>30,000</u>
23	Total school for the deaf - estimated income	\$600,000	\$733,000
24	North Dakota vision services - school for the blind		
25	Equipment	\$21,000	\$0
26	Special assessments payoff	19,000	10,000
27	Server and access points	16,000	0
28	Heating and cooling upgrade	0	35,500
29	Replace water line	0	60,000
30	Carpet and reception upgrade	<u>0</u>	<u>30,000</u>
31	Total school for the blind - estimated income	\$56,000	\$135,500

1	Grand total - all funds	\$13,606,030	\$160,868,500
2	Grand total - estimated income	<u>656,000</u>	<u>160,868,500</u>
3	Grand total - general fund	\$12,950,030	\$0

4 The 2017-19 one-time funding amounts are not a part of the entity's base budget for the
5 2019-21 biennium. The department of public instruction, school for the deaf, and North Dakota
6 vision services - school for the blind shall report to the appropriations committees of the
7 sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning
8 July 1, 2017, and ending June 30, 2019.

9 **SECTION 4. TRANSFER - PUBLIC INSTRUCTION FUND TO STATE TUITION FUND.**

10 During the biennium beginning July 1, 2017, and ending June 30, 2019, the office of
11 management and budget shall transfer \$4,282,905 from the public instruction fund to the state
12 tuition fund for the purpose of providing funding for integrated formula payments.

13 **SECTION 5. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$305,546,905,
14 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is
15 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund
16 that becomes available for distribution to public schools is appropriated to the department of
17 public instruction for that purpose for the biennium beginning July 1, 2017, and ending June 30,
18 2019.

19 **SECTION 6. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND.** The
20 estimated income line item in subdivision 1 of section 1 of this Act includes \$270,000,000 from
21 the foundation aid stabilization fund for integrated formula payments. Of the total provided,
22 \$160,000,000 is considered to be one-time funding.

23 **SECTION 7. FUNDING TRANSFER - EXEMPTION - AUTHORIZATION.** Notwithstanding
24 section 54-16-04, the superintendent of public instruction may transfer up to \$1,200,000 from
25 the integrated formula payments line item to the grants - special education line item and up to
26 \$108,000 from the integrated formula payments line item to the grants - transportation line item,
27 for the biennium beginning July 1, 2015, and ending June 30, 2017. The superintendent of
28 public instruction shall notify the office of management and budget of any transfer made
29 pursuant to this section.

30 **SECTION 8. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**

31 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may

1 expend funds included in the integrated formula payments and grants - special education line
2 items in subdivision 1 of section 1 of this Act in payment of grants for educational services that
3 were due in the 2015-17 biennium but which were not filed, claimed, or properly supported by
4 the education provider until after June 30, 2017. To be reimbursed under this section, claims
5 must be properly supported and filed with the superintendent of public instruction by June 30,
6 2018.

7 **SECTION 9. GRANTS - SPECIAL EDUCATION DEFICIENCY AUTHORIZATION.** If funds
8 provided to the superintendent of public instruction in subdivision 1 of section 1 of this Act for
9 grants - special education, for the biennium beginning July 1, 2017, and ending June 30, 2019,
10 are not sufficient to meet special education contract obligations, the superintendent of public
11 instruction shall request supplemental funding from the sixty-sixth legislative assembly.

12 **SECTION 10. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING -**
13 **DISTRIBUTION.**

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

27 **SECTION 11. TRANSPORTATION GRANTS - DISTRIBUTION.**

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

- 1 a. One dollar and three cents per mile for school buses having a capacity of ten or
2 more passengers;
- 3 b. Forty-eight cents per mile for vehicles having a capacity of nine or fewer
4 passengers;
- 5 c. Forty-eight cents per mile, provided;
- 6 (1) The student being transported is a student with a disability, as defined in
7 chapter 15.1-32;
- 8 (2) The student's individualized education program plan requires that the
9 student attend a public or a nonpublic school located outside the student's
10 school district of residence;
- 11 (3) The student is transported by an adult member of the student's family;
- 12 (4) The student is transported in a vehicle furnished by the student's parents;
- 13 (5) The student's transportation is paid for by the student's parents; and
- 14 (6) The reimbursement does not exceed two round trips daily between the
15 student's home and school.
- 16 d. Forty-eight cents per mile, one way, provided:
- 17 (1) The student being transported resides more than two miles from the public
18 school that the student attends;
- 19 (2) The student is transported by an adult member of the student's family;
- 20 (3) The student is transported in a vehicle furnished by the student's parents;
- 21 and
- 22 (4) The student's transportation is paid for by the student's parents.
- 23 e. Twenty-eight cents per student for each one-way trip.
- 24 2. The superintendent of public instruction shall use the latest available student
25 enrollment count in each school district in applying the provisions of subsection 1.
- 26 3. This section does not authorize the reimbursement of any costs incurred in providing
27 transportation for student attendance at extracurricular activities or events.

28 **SECTION 12. PROGRAM GRANT POOL - CONTINUING EDUCATION GRANTS -**

29 **FUNDING - DISTRIBUTION.** The line item entitled grants - program grants included in
30 subdivision 1 of section 1 of this Act includes \$1,735,000 for a program grant pool. The
31 superintendent of public instruction shall use the funding provided for various grant programs,

1 including up to \$75,000, or so much of the sum as may be necessary, for continuing education
2 grants, for the biennium beginning July 1, 2017, and ending June 30, 2019.

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

18 **SECTION 13. EXEMPTION - INDIRECT COST ALLOCATION.** Notwithstanding section
19 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its
20 operating account.

21 **SECTION 14. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
22 subdivision 2 of section 1 of this Act includes \$1,737,528 for aid to public libraries, of which no
23 more than one-half may be expended during the fiscal year ending June 30, 2018.

24 **SECTION 15. FEES DEPOSITED IN NORTH DAKOTA VISION SERVICES - SCHOOL**
25 **FOR THE BLIND OPERATING FUND.** Any moneys included in the estimated income line item
26 in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be
27 deposited in the North Dakota vision services - school for the blind operating fund in the state
28 treasury and may be spent subject to appropriation by the legislative assembly.

29 **SECTION 16. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT**
30 **PROGRAM.** The grants line item contained in subdivision 3 of section 1 of this Act is for the
31 purpose of providing grants to assist institutions under the control of the state board of higher

1 education with the cost of interpreters and real-time captioning for students who are deaf or
2 hard of hearing, for the biennium beginning July 1, 2017, and ending June 30, 2019. Moneys
3 appropriated for this program are not subject to section 54-44.1-11. Funds must be distributed
4 pursuant to the provisions of this section:

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

20 **SECTION 17. PASSTHROUGH GRANTS - APPLICATION - DISTRIBUTION -**

21 **REPORTING.** The line item entitled grants - passthrough grants included in subdivision 1 of
22 section 1 of this Act includes \$2,378,000 for passthrough grants. The superintendent of public
23 instruction shall determine the manner in which each passthrough grant is distributed.

24 Grantees, as a condition of receiving the grant, must establish performance measures to be
25 reviewed by the superintendent of public instruction. Grantees shall report to the superintendent
26 of public instruction regarding performance based on the measures before October 1, 2018.

27 The superintendent of public instruction shall report to the appropriations committees of the
28 sixty-sixth legislative assembly regarding funds granted, performance measures established for
29 each grantee, and whether grantees met performance expectations.

30 **SECTION 18. LEGISLATIVE MANAGEMENT STUDY - EDUCATIONAL PROGRAMS.**

31 During the 2017-18 interim, the legislative management shall consider studying the feasibility

1 and desirability of combining services for any or all English language learner programs,
2 distance learning programs, regional education agencies, teacher center networks, adult
3 learning centers, career and technical education programs, education technology services,
4 continuing education for counselors, the North Dakota leadership in educational administration
5 development center, and the teacher mentoring program. The legislative management shall
6 report its findings and recommendations, together with any legislation necessary to implement
7 the recommendations, to the sixty-sixth legislative assembly.

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

10 **School for the blind fund.**

11 The school for the blind fund is a special fund in the state treasury. All moneys received
12 pursuant to section 2 of article IX of the Constitution of North Dakota, revenues received from
13 services and leases, and contributions must be deposited in the fund. Moneys in the fund are to
14 be used pursuant to legislative appropriation for the provision of services under this chapter.

15 **SECTION 20.** A new section to chapter 25-07 of the North Dakota Century Code is created
16 and enacted as follows:

17 **School for the deaf fund.**

18 The school for the deaf fund is a special fund in the state treasury. All moneys received
19 pursuant to section 2 of article IX of the Constitution of North Dakota and all revenues received
20 from the lease of buildings and the provision of meals and services, including interpreter
21 services, must be deposited in the fund. Moneys in the fund are to be used pursuant to
22 legislative appropriation for provision of services under this chapter.

23 **SECTION 21. REPEAL.** Section 6-09-45 of the North Dakota Century Code is repealed.

24 **SECTION 22. REPEAL.** Section 13 of chapter 49 of the 2015 Session Laws is repealed.

25 **SECTION 23. EMERGENCY.** Sections 7 and 22 of this Act are declared to be emergency
26 measures.