

**FIRST ENGROSSMENT  
with Senate Amendments**

Fifty-ninth  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1013**

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 an appropriation to the division of independent study; to provide  
4 for the distribution of special education payments; to provide for a legislative council study; to  
5 amend and reenact section 15.1-02-02 of the North Dakota Century Code, relating to the salary  
6 of the superintendent of public instruction; and to declare an emergency.

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

8 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this  
9 section represent the base level funding component appropriated to the department of public  
10 instruction, the school for the deaf, North Dakota vision services - school for the blind, and the  
11 state library in section 3 of this Act as follows:

12 Subdivision 1.

13 DEPARTMENT OF PUBLIC INSTRUCTION

14 Salaries and wages	\$9,277,686
15 Operating expenses	13,057,823
16 Capital assets	15,000
17 Grants - State school aid	489,379,990
18 Grants - Tuition apportionment	69,495,371
19 Grants - Special education	49,898,695
20 Grants - Revenue supplement	5,000,000
21 Grants - Teacher compensation	51,854,000
22 Grants - Other grants	182,255,244
23 Reorganization bonuses	500,000
24 Data envelopment analysis	<u>50,000</u>

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1	Total all funds - Base level	\$870,783,809
2	Less estimated income - Base level	<u>266,058,803</u>
3	Total general fund - Base level	\$604,725,006
4	Subdivision 2.	
5	STATE LIBRARY	
6	Salaries and wages	\$2,078,571
7	Operating expenses	1,181,647
8	Grants	<u>1,396,807</u>
9	Total all funds - Base level	\$4,657,025
10	Less estimated income - Base level	<u>1,629,979</u>
11	Total general fund - Base level	\$3,027,046
12	Subdivision 3.	
13	SCHOOL FOR THE DEAF	
14	Salaries and wages	\$4,809,808
15	Operating expenses	1,102,160
16	Capital assets	<u>32,723</u>
17	Total all funds - Base level	\$5,944,691
18	Less estimated income - Base level	<u>871,449</u>
19	Total general fund - Base level	\$5,073,242
20	Subdivision 4.	
21	VISION SERVICES - SCHOOL FOR THE BLIND	
22	Salaries and wages	\$2,540,292
23	Operating expenses	698,683
24	Capital assets	<u>18,233</u>
25	Total all funds - Base level	\$3,257,208
26	Less estimated income - Base level	<u>1,167,383</u>
27	Total general fund - Base level	\$2,089,825
28	Total general fund - Section 1	\$614,915,119
29	Total special funds - Section 1	\$269,727,614
30	Total all funds - Section 1	\$884,642,733

1           **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The  
2 amounts identified in this section represent the funding adjustments or enhancements to the  
3 base funding level for the department of public instruction, the school for the deaf, North Dakota  
4 vision services - school for the blind, and the state library which are included in the  
5 appropriation in section 3 of this Act as follows:

6           Subdivision 1.

7                                           DEPARTMENT OF PUBLIC INSTRUCTION

8	Salaries and wages	\$696,239
9	Operating expenses	1,834,485
10	Capital assets	(15,000)
11	Grants - State school aid	63,227,405
12	Grants - Tuition apportionment	(19,375,371)
13	Grants - Special education	2,601,305
14	Grants - Teacher compensation	(16,215,516)
15	Grants - Other grants	25,693,839
16	Reorganization bonuses	(500,000)
17	Data envelopment analysis	(50,000)
18	National board certification	<u>40,000</u>
19	Total all funds - Adjustments/enhancements	\$57,937,386
20	Less estimated income - Adjustments/enhancements	<u>29,784,889</u>
21	Total general fund - Adjustments/enhancements	\$28,152,497

22           Subdivision 2.

23                                           STATE LIBRARY

24	Salaries and wages	\$135,555
25	Operating expenses	200,125
26	Grants	<u>155,693</u>
27	Total all funds - Adjustments/enhancements	\$491,373
28	Less estimated income - Adjustments/enhancements	<u>27,194</u>
29	Total general fund - Adjustments/enhancements	\$464,179

30           Subdivision 3.

31                                           SCHOOL FOR THE DEAF

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1	Salaries and wages	\$77,887
2	Operating expenses	275,105
3	Capital assets	<u>246,772</u>
4	Total all funds - Adjustments/enhancements	\$599,764
5	Less estimated income - Adjustments/enhancements	<u>330,793</u>
6	Total general fund - Adjustments/enhancements	\$268,971

7           Subdivision 4.

8                                   VISION SERVICES - SCHOOL FOR THE BLIND

9	Salaries and wages	\$145,411
10	Operating expenses	(91,377)
11	Capital assets	<u>49,237</u>
12	Total all funds - Adjustments/enhancements	\$103,271
13	Less estimated income - Adjustments/enhancements	<u>(323,935)</u>
14	Total general fund - Adjustments/enhancements	\$427,206
15	Total general fund - Section 2	\$29,312,853
16	Total special funds - Section 2	\$29,818,941
17	Total all funds - Section 2	\$59,131,794

18           **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the  
19 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
20 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
21 other income, to the department of public instruction, the school for the deaf, North Dakota  
22 vision services - school for the blind, and the state library for the purpose of defraying the  
23 expenses of those agencies, for the biennium beginning July 1, 2005, and ending June 30,  
24 2007, as follows:

25           Subdivision 1.

26                                   DEPARTMENT OF PUBLIC INSTRUCTION

27	Salaries and wages	\$9,973,925
28	Operating expenses	14,892,308
29	Grants - State school aid	552,607,395
30	Grants - Tuition apportionment	50,120,000
31	Grants - Special education	52,500,000

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1	Grants - Revenue supplement	5,000,000
2	Grants - Teacher compensation	35,638,484
3	Grants - Other grants	207,949,083
4	National board certification	<u>40,000</u>
5	Total all funds	\$928,721,195
6	Less estimated income	<u>295,843,692</u>
7	Total general fund appropriation	\$632,877,503
8	Subdivision 2.	
9		
	STATE LIBRARY	
10	Salaries and wages	\$2,214,126
11	Operating expenses	1,381,772
12	Grants	<u>1,552,500</u>
13	Total all funds	\$5,148,398
14	Less estimated income	<u>1,657,173</u>
15	Total general fund appropriation	\$3,491,225
16	Subdivision 3.	
17		
	SCHOOL FOR THE DEAF	
18	Salaries and wages	\$4,887,695
19	Operating expenses	1,377,265
20	Capital assets	<u>279,495</u>
21	Total all funds	\$6,544,455
22	Less estimated income	<u>1,202,242</u>
23	Total general fund appropriation	\$5,342,213
24	Subdivision 4.	
25		
	VISION SERVICES - SCHOOL FOR THE BLIND	
26	Salaries and wages	\$2,685,703
27	Operating expenses	607,306
28	Capital assets	<u>67,470</u>
29	Total all funds	\$3,360,479
30	Less estimated income	<u>843,448</u>
31	Total general fund appropriation	\$2,517,031

1           **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the  
2 general fund in the state treasury, not otherwise appropriated, the sum of \$148,800, or so much  
3 of the sum as may be necessary, to the division of independent study for the purpose of  
4 developing, publishing, and distributing a North Dakota studies textbook and workbook  
5 including civic education for both grades four and eight, for the biennium beginning July 1,  
6 2005, and ending June 30, 2007.

7 Grand total general fund appropriation - H.B. 1013	\$644,376,772
8 Grand total special funds appropriation - H.B. 1013	\$299,546,555
9 Grand total all funds appropriation - H.B. 1013	\$943,923,327

10           **SECTION 5. APPROPRIATION.** There is appropriated from special funds derived  
11 from federal funds and other income the sum of \$15,000,000, or so much of the sum as may be  
12 necessary, to the superintendent of public instruction for the purpose of providing grants for the  
13 period beginning with the effective date of this Act and ending June 30, 2005.

14           **SECTION 6. APPROPRIATION - TUITION APPORTIONMENT.** The sum of  
15 \$71,600,000, included in the grants - tuition apportionment line item in subdivision 1 of  
16 section 3 of this Act, is from the state tuition fund in the state treasury. Any additional amount  
17 in the state tuition fund that becomes available for distribution to public schools is appropriated  
18 to the department of public instruction for that purpose for the biennium beginning July 1, 2005,  
19 and ending June 30, 2007.

20           **SECTION 7. STATE SCHOOL AID AND SPECIAL EDUCATION EXPENDITURE**

21 **AUTHORITY.** The superintendent of public instruction may expend funds included in the  
22 grants - state school aid and grants - special education line items in subdivision 1 of section 3  
23 of this Act in payment of grants for educational services that were due in the 2003-05 biennium  
24 but which were not filed, claimed, or properly supported by the education provider until after  
25 June 30, 2005.

26           **SECTION 8. DISTRIBUTION OF SPECIAL EDUCATION AID.** The sum of  
27 \$52,500,000, included in the grants - special education line item in subdivision 1 of section 3 of  
28 this Act, must be distributed as follows:

29           1. Fifteen million five hundred thousand dollars to reimburse school districts or  
30 special education units for excess costs incurred relating to contracts for students  
31 with disabilities.

- 1           2.   Four hundred thousand dollars to reimburse school districts or special education  
2                   units for gifted and talented programs upon the submission of an application that is  
3                   approved in accordance with guidelines adopted by the superintendent of public  
4                   instruction. The superintendent of public instruction shall encourage cooperative  
5                   efforts for gifted and talented programs among school districts and special  
6                   education units.
- 7           3.   Any amount remaining in the line item must be distributed on a per student basis  
8                   as required by section 15.1-27-10, excluding reimbursements for student contracts  
9                   and gifted and talented programs. State special education payments distributed as  
10                  required by section 15.1-27-10 must be reduced by the amount of matching funds  
11                  required to be paid by school districts or special education units for students  
12                  participating in the medicaid program. Special education funds equal to the  
13                  amount of the matching funds required to be paid by the school district or special  
14                  education unit must be paid by the superintendent of public instruction to the  
15                  department of human services on behalf of the school district or unit.

16           **SECTION 9. PAYMENTS FOR LIMITED ENGLISH PROFICIENT STUDENTS.**

17   Payments to school districts educating limited English proficient students, as provided in  
18   section 15.1-27-12, must be made by the superintendent of public instruction during the  
19   biennium beginning July 1, 2005, and ending June 30, 2007, using up to \$650,000 of the  
20   amount included in the grants - state school aid line item in subdivision 1 of section 3 of this  
21   Act.

22           **SECTION 10. INDIRECT COST ALLOCATION.** Notwithstanding section 54-44.1-15,

23   the department of public instruction may deposit indirect cost recoveries in its operating  
24   account.

25           **SECTION 11. DISPLACED HOMEMAKER FUND.** The sum of \$253,646, included in

26   the estimated income line item in subdivision 1 of section 3 of this Act, is from the displaced  
27   homemaker fund and must be used by the superintendent of public instruction for the purpose  
28   of providing services for displaced homemakers, as provided in chapter 14-06.1, during the  
29   biennium beginning July 1, 2005, and ending June 30, 2007.

1           **SECTION 12. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in  
2 subdivision 2 of section 3 of this Act includes \$1,000,000 for aid to public libraries, of which no  
3 more than one-half is to be expended during the fiscal year ending June 30, 2006.

4           **SECTION 13. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND**  
5 **OPERATING FUND.** Any moneys included in the estimated income line item in subdivision 4  
6 of section 3 of this Act, collected for subscription fees or braille fees, must be deposited in the  
7 North Dakota vision services - school for the blind operating fund in the state treasury and may  
8 be spent subject to appropriation by the legislative assembly.

9           **SECTION 14. LEGISLATIVE COUNCIL STUDY - SCHOOL FOR THE DEAF AND**  
10 **VISION SERVICES - SCHOOL FOR THE BLIND.** The legislative council shall consider  
11 studying, during the 2005-06 interim, the potential for cooperative field service delivery between  
12 vision services - school for the blind and the school for the deaf. The legislative council shall  
13 report its findings and recommendations, together with any legislation required to implement  
14 the recommendations, to the sixtieth legislative assembly.

15           **SECTION 15. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17           **15.1-02-02. Salary.** The annual salary of the superintendent of public instruction is  
18 ~~sixty-nine~~ seventy-nine thousand ~~six~~ seven hundred ~~forty-eight~~ fifty-seven dollars through  
19 ~~December 31, 2001~~ June 30, 2006, ~~seventy-five~~ eighty-two thousand nine hundred ~~sixteen~~  
20 forty-seven dollars through ~~June 30, 2002~~, and ~~seventy-seven thousand four hundred~~  
21 ~~thirty-four~~ dollars thereafter.

22           **SECTION 16. EMERGENCY.** Section 5 of this Act is declared to be an emergency  
23 measure.