

**FIRST ENGROSSMENT  
with Conference Committee Amendments**

Sixtieth  
Legislative Assembly  
of North Dakota

**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 an appropriation relating to teachers' retirement contributions;  
4 to provide for the distribution of special education payments; to provide for transfers; to provide  
5 for a legislative council study; to provide for legislative intent; to provide an exemption; to  
6 amend and reenact section 15.1-02-02 of the North Dakota Century Code and section 28 of  
7 chapter 167 of the 2005 Session Laws, relating to the salary of the superintendent of public  
8 instruction and contingent distributions of per student payments; and to declare an emergency.

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

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

14 Subdivision 1.

15 DEPARTMENT OF PUBLIC INSTRUCTION

16 Salaries and wages	\$10,056,952
17 Operating expenses	14,892,308
18 Grants - State school aid	484,053,759
19 Grants - Special education contracts	15,500,000
20 Grants - Transportation	33,500,000
21 Grants - Tuition apportionment	71,600,000
22 Grants - Special education	37,000,000
23 Grants - Revenue supplement	5,000,000
24 Grants - Teacher compensation	50,912,120

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1	Grants - Other grants	207,999,083
2	Reorganization bonuses	759,000
3	JPA incentives	1,000,000
4	Transportation efficiency	30,000
5	National board certification	<u>40,000</u>
6	Total all funds - Base level	\$932,343,222
7	Less estimated income - Base level	<u>295,899,635</u>
8	Total general fund - Base level	\$636,443,587
9	Subdivision 2.	
10	STATE LIBRARY	
11	Salaries and wages	\$2,232,082
12	Operating expenses	1,381,772
13	Grants	<u>1,552,500</u>
14	Total all funds - Base level	\$5,166,354
15	Less estimated income - Base level	<u>1,659,272</u>
16	Total general fund - Base level	\$3,507,082
17	Subdivision 3.	
18	SCHOOL FOR THE DEAF	
19	Salaries and wages	\$5,035,602
20	Operating expenses	1,377,265
21	Capital assets	<u>279,495</u>
22	Total all funds - Base level	\$6,692,362
23	Less estimated income - Base level	<u>1,327,265</u>
24	Total general fund - Base level	\$5,365,097
25	Subdivision 4.	
26	VISION SERVICES - SCHOOL FOR THE BLIND	
27	Salaries and wages	\$2,696,280
28	Operating expenses	607,306
29	Capital assets	<u>67,470</u>
30	Total all funds - Base level	\$3,371,056
31	Less estimated income - Base level	<u>846,447</u>

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1	Total general fund - Base level	\$2,524,609
2	Total general fund - Section 1	\$647,840,375
3	Total special funds - Section 1	\$299,732,619
4	Total all funds - Section 1	\$947,572,994

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

10           Subdivision 1.

11   DEPARTMENT OF PUBLIC INSTRUCTION

12	Salaries and wages	\$1,370,102
13	Operating expenses	4,845,986
14	Grants - State school aid	242,112,120
15	Grants - Special education contracts	2,000,000
16	Grants - Tuition apportionment	(71,600,000)
17	Grants - Special education	(37,000,000)
18	Grants - Revenue supplement	(5,000,000)
19	Grants - Teacher compensation	(50,912,120)
20	Grants - Other grants	19,702,723
21	Reorganization bonuses	(759,000)
22	JPA incentives	(1,000,000)
23	Total all funds - Adjustments/enhancements	\$103,759,811
24	Less estimated income - Adjustments/enhancements	<u>29,776,672</u>
25	Total general fund - Adjustments/enhancements	\$73,983,139

26           Subdivision 2.

27   STATE LIBRARY

28	Salaries and wages	\$398,958
29	Operating expenses	96,000
30	Grants	<u>200,000</u>
31	Total all funds - Adjustments/enhancements	\$694,958

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1	Less estimated income - Adjustments/enhancements	<u>222,328</u>
2	Total general fund - Adjustments/enhancements	\$472,630
3	Subdivision 3.	
4	SCHOOL FOR THE DEAF	
5	Salaries and wages	(\$272,221)
6	Operating expenses	137,018
7	Capital assets	<u>(129,495)</u>
8	Total all funds - Adjustments/enhancements	(\$264,698)
9	Less estimated income - Adjustments/enhancements	<u>(288,103)</u>
10	Total general fund - Adjustments/enhancements	\$23,405
11	Subdivision 4.	
12	VISION SERVICES - SCHOOL FOR THE BLIND	
13	Salaries and wages	\$281,139
14	Operating expenses	33,492
15	Capital assets	<u>74,630</u>
16	Total all funds - Adjustments/enhancements	\$389,261
17	Less estimated income - Adjustments/enhancements	<u>(2,330)</u>
18	Total general fund - Adjustments/enhancements	\$391,591
19	Total general fund - Section 2	\$74,870,765
20	Total special funds - Section 2	\$29,708,567
21	Total all funds - Section 2	\$104,579,332

22           **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the  
 23 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
 24 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
 25 other income, to the department of public instruction, the school for the deaf, North Dakota  
 26 vision services - school for the blind, and the state library for the purpose of defraying the  
 27 expenses of those agencies, for the biennium beginning July 1, 2007, and ending June 30,  
 28 2009, as follows:

29           Subdivision 1.

30           DEPARTMENT OF PUBLIC INSTRUCTION

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1	Salaries and wages	\$11,427,054
2	Operating expenses	19,738,294
3	Grants - State school aid	726,165,879
4	Grants - Special education contracts	17,500,000
5	Grants - Transportation	33,500,000
6	Grants - Other grants	227,701,806
7	Transportation efficiency	30,000
8	National board certification	<u>40,000</u>
9	Total all funds	\$1,036,103,033
10	Less estimated income	<u>325,676,307</u>
11	Total general fund appropriation	\$710,426,726
12	Subdivision 2.	
13	STATE LIBRARY	
14	Salaries and wages	\$2,631,040
15	Operating expenses	1,477,772
16	Grants	<u>1,752,500</u>
17	Total all funds	\$5,861,312
18	Less estimated income	<u>1,881,600</u>
19	Total general fund appropriation	\$3,979,712
20	Subdivision 3.	
21	SCHOOL FOR THE DEAF	
22	Salaries and wages	\$4,763,381
23	Operating expenses	1,514,283
24	Capital assets	<u>150,000</u>
25	Total all funds	\$6,427,664
26	Less estimated income	<u>1,039,162</u>
27	Total general fund appropriation	\$5,388,502
28	Subdivision 4.	
29	VISION SERVICES - SCHOOL FOR THE BLIND	
30	Salaries and wages	\$2,977,419
31	Operating expenses	640,798

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1	Capital assets	<u>142,100</u>
2	Total all funds	\$3,760,317
3	Less estimated income	<u>844,117</u>
4	Total general fund appropriation	\$2,916,200
5	Total general fund appropriation - Section 3	\$722,711,140
6	Total estimated income appropriation - Section 3	\$329,441,186
7	Total all funds appropriation - Section 3	\$1,052,152,326
8	Grand total general fund appropriation - S.B. 2013	\$722,725,758
9	Grand total special funds appropriation - S.B. 2013	\$329,449,048
10	Grand total all funds appropriation - S.B. 2013	\$1,052,174,806

11           **SECTION 4. APPROPRIATION.** The funds provided in this section, or so much of the  
 12 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
 13 treasury, not otherwise appropriated, and from other funds derived from federal funds and other  
 14 income, to the following departments for the purpose of funding the additional employer  
 15 retirement contribution for teachers' fund for retirement members required by Senate Bill No.  
 16 2046, as approved by the sixtieth legislative assembly, for the biennium beginning July 1, 2007,  
 17 and ending June 30, 2009, as follows:

18	GENERAL	OTHER	
19 DEPARTMENT	FUND	FUNDS	TOTAL
20 Division of independent study		\$7,560	\$7,560
21 School for the deaf	\$4,760		4,760
22 North Dakota vision services - 23 School for the blind	2,600		2,600
24 Department of Corrections and 25 Rehabilitation	7,258	302	7,560
26 Total	\$14,618	\$7,862	\$22,480

27           **SECTION 5. APPROPRIATION.** There is appropriated from special funds derived  
 28 from federal funds and other income the sum of \$22,000,000, or so much of the sum as may be  
 29 necessary, to the superintendent of public instruction for operating expenses and for providing  
 30 grants for the period beginning with the effective date of this Act and ending June 30, 2007.

1           **SECTION 6. APPROPRIATION - TUITION APPORTIONMENT.** The sum of  
2 \$76,200,000, included in the grants - state school aid line item in subdivision 1 of section 3 of  
3 this Act, is from the state tuition fund in the state treasury. Any additional amount in the state  
4 tuition fund that becomes available for distribution to public schools is appropriated to the  
5 department of public instruction for that purpose for the biennium beginning July 1, 2007, and  
6 ending June 30, 2009.

7           **SECTION 7. STATE SCHOOL AID AND SPECIAL EDUCATION EXPENDITURE**  
8 **AUTHORITY.** The superintendent of public instruction may expend funds included in the  
9 grants - state school aid and grants - special education contracts line items in subdivision 1 of  
10 section 3 of this Act in payment of grants for educational services that were due in the 2005-07  
11 biennium but which were not filed, claimed, or properly supported by the education provider  
12 until after June 30, 2007.

13           **SECTION 8. DISTRIBUTION OF SPECIAL EDUCATION AID.** The sum of \$400,000,  
14 included in the grants - state school aid line item in subdivision 1 of section 3 of this Act, must  
15 be distributed to reimburse school districts or special education units for gifted and talented  
16 programs upon the submission of an application that is approved in accordance with guidelines  
17 adopted by the superintendent of public instruction. The superintendent of public instruction  
18 shall encourage cooperative efforts for gifted and talented programs among school districts and  
19 special education units. State school aid payments for special education must be reduced by  
20 the amount of matching funds required to be paid by school districts or special education units  
21 for students participating in the medicaid program. Special education funds equal to the  
22 amount of the matching funds required to be paid by the school district or special education unit  
23 must be paid by the superintendent of public instruction to the department of human services  
24 on behalf of the school district or unit.

25           **SECTION 9. INDIRECT COST ALLOCATION.** Notwithstanding section 54-44.1-15,  
26 the department of public instruction may deposit indirect cost recoveries in its operating  
27 account.

28           **SECTION 10. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in  
29 subdivision 2 of section 3 of this Act includes \$1,200,000 for aid to public libraries, of which no  
30 more than one-half is to be expended during the fiscal year ending June 30, 2008.





1 The legislative council shall report its findings and recommendations, together with any  
2 legislation required to implement the recommendations, to the sixty-first legislative assembly.

3 **SECTION 15. LEGISLATIVE INTENT - REPORT TO THE SIXTY-FIRST**

4 **LEGISLATIVE ASSEMBLY.** It is the intent of the legislative assembly that the school for the  
5 deaf collaborate with Lake Region state college on the college's wind energy project and  
6 determine the feasibility of the school for the deaf accessing any available energy, including  
7 identifying any related costs. The school for the deaf should provide a report on the status of  
8 this collaboration to the appropriations committees of the sixty-first legislative assembly.

9 **SECTION 16. ADULT EDUCATION PER STUDENT FUNDING STUDY.** The

10 commission on education improvement shall consider studying, during the 2007-08 interim,  
11 changes to the state school aid formula to provide per student payments to school districts  
12 offering an adult education program.

13 **SECTION 17. EXEMPTION.** Any amounts distributed pursuant to section 18 of this Act

14 that will not be expended before June 30, 2007, are not subject to the provisions of section  
15 54-44.1-11 and may be expended during the biennium beginning July 1, 2007, and ending  
16 June 30, 2009, for the purposes provided in section 18 of this Act.

17 **SECTION 18. AMENDMENT.** Section 28 of chapter 167 of the 2005 Session Laws is

18 amended and reenacted as follows:

19 **SECTION 28. CONTINGENCY.** If any moneys appropriated for per student payments

20 and transportation payments in the grants - state school aid line item in House Bill No. 1013, as  
21 approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations  
22 for per student and transportation payments during the biennium beginning July 1, 2005, and  
23 ending June 30, 2007, and after the superintendent of public instruction has fulfilled any  
24 directives contained in section 27 of this Act, the superintendent shall distribute the remaining  
25 moneys as follows:

- 26 1. The superintendent of public instruction shall use the first \$450,000, or so much of  
27 that amount as may be necessary, to provide additional payments to school  
28 districts serving English language learners in accordance with section 15.1-27-12.  
29 2. The superintendent of public instruction shall use the next \$1,000,000, or so much  
30 of that amount as may be necessary, for the purpose of providing additional per

- 1           ~~student~~ payments to school districts participating in eligible educational  
2           associations in accordance with section 32 of this Act.
- 3           a. The superintendent of public instruction shall distribute during the 2007-09  
4           biennium \$45,000, or so much of that amount as may be necessary, as  
5           grants in the amount of \$5,000 each to any educational association that  
6           commits to the development and implementation of a teacher mentoring  
7           program for first-year, second-year, and third-year teachers employed by  
8           school districts participating in the association. If any of this amount remains  
9           after meeting the requirements of this subdivision, the superintendent shall  
10           distribute those funds as additional per student payments on a prorated basis  
11           to school districts participating in educational associations.
- 12           b. The superintendent of public instruction shall distribute \$955,000, or so much  
13           of that amount as may be necessary, as additional per student payments to  
14           school districts participating in eligible educational associations as provided in  
15           section 32 of chapter 167 of the 2005 Session Laws.
- 16           3. The superintendent of public instruction shall use the next \$600,000, or so much of  
17           that amount as may be necessary, to provide for increases over the established  
18           baselines in the minimum percentage of state aid payable to a district per weighted  
19           student unit during the 2007-09 biennium. If any of this amount remains after  
20           meeting the requirements of this subsection, the superintendent shall distribute  
21           that remaining amount as additional per student payments on a prorated basis  
22           according to the latest available average daily membership of each school district.
- 23           4. The superintendent of public instruction shall use the next \$2,000,000, or so much  
24           of that amount as may be necessary, for the purpose of providing additional  
25           transportation grants to school districts as provided in Senate Bill No. 2200, as  
26           approved by the sixtieth legislative assembly. If any of this amount remains after  
27           meeting the requirements of this subsection, the superintendent shall distribute  
28           that remaining amount as per student payments on a prorated basis according to  
29           the latest available average daily membership of each school district.
- 30           5. a. The superintendent of public instruction shall use the next \$1,000,000, or so  
31           much of that amount as may be necessary, for the purpose of providing

- 1                   payments to school districts that are members of regional education  
2                   associations, for the biennium beginning July 1, 2007, and ending June 30,  
3                   2009.
- 4                   b. Each year of the biennium, the superintendent of public instruction shall  
5                   distribute fifty percent of the payments under this subsection to the school  
6                   districts that are members of regional education associations on a per student  
7                   basis. The superintendent shall make the distribution at the same time and in  
8                   the same manner as other state aid payments under section 15.1-27-01.
- 9                   6. The superintendent of public instruction shall use the next \$30,000, or so much of  
10                   that amount as may be necessary, for the purpose of providing a grant to the  
11                   division of independent study for enhancing civic education.
- 12                   7. The superintendent of public instruction shall use the next \$15,000, or so much of  
13                   that amount as may be necessary, for the purpose of providing a one-time grant to  
14                   the North Dakota museum of art for enhancing the snow country prisons travel  
15                   exhibit.
- 16                   8. The superintendent of public instruction shall use the next \$200,000, or so much of  
17                   that amount as may be necessary, to pay for the services of professionals and  
18                   experts with whom the commission on education improvement contracts, during  
19                   the 2007-08 interim, for assistance with its study of educational adequacy. If any  
20                   of this amount remains after meeting the requirements of this subsection, the  
21                   superintendent shall distribute that remaining amount as additional per student  
22                   payments on a prorated basis according to the latest available average daily  
23                   membership of each school district.
- 24                   9. The superintendent of public instruction shall use the next \$77,000, or so much of  
25                   that amount as may be necessary, for providing funding to the education standards  
26                   and practices board for providing payments to recipients of national board  
27                   certification and scholarships to individuals seeking national board certification in  
28                   accordance with Senate Bill No. 2057, as approved by the sixtieth legislative  
29                   assembly.
- 30                   10. The superintendent of public instruction shall use the next \$200,000, or so much of  
31                   that amount as may be necessary, for the purpose of providing additional

- 1           payments to school districts offering an adult education program during the  
2           2005-07 biennium.
- 3       11. The superintendent of public instruction shall use the next \$400,000, or so much of  
4           that amount as may be necessary, to purchase and distribute to school districts  
5           automated external defibrillators. If any of this amount remains after meeting the  
6           requirements of this subsection, the superintendent shall distribute that remaining  
7           amount as additional per student payments on a prorated basis according to the  
8           latest available average daily membership of each school district.
- 9       12. The superintendent of public instruction shall use the next \$395,000, or so much of  
10           that amount as may be necessary, for the purpose of providing a grant to the north  
11           central council of school television for licensing of education television programs  
12           for classroom use by North Dakota elementary and secondary schools, assisting  
13           with the North Dakota studies project, and other operating expenses.
- 14       13. The superintendent of public instruction shall use the next \$500,000, or so much of  
15           that amount as may be necessary, for the purpose of funding the rewrite of the  
16           state school aid computer system. If any of this amount remains after meeting the  
17           requirements of this subsection, the superintendent shall distribute that remaining  
18           amount as additional per student payments on a prorated basis according to the  
19           latest available average daily membership of each school district.
- 20       14. The superintendent of public instruction shall use the next \$650,000, or so much of  
21           that amount as may be necessary, for the purpose of funding the rewrite of the  
22           teacher licensure application used by the superintendent of public instruction and  
23           the education standards and practices board. The education standards and  
24           practices board shall pay the remaining \$80,000 of the anticipated total project  
25           cost. If any of this amount remains after meeting the requirements of this  
26           subsection, the superintendent shall distribute that remaining amount as additional  
27           per student payments on a prorated basis according to the latest available average  
28           daily membership of each school district.
- 29       15. The superintendent of public instruction shall use the next \$25,748, or so much of  
30           that amount as may be necessary, for the purpose of reimbursing eligible school  
31           districts that received reduced amounts of state aid. For the purposes of this

1           subsection, an eligible school district is one that received a reduction in state aid  
2           during the 2005-07 biennium because the district's general fund levy fell below one  
3           hundred forty mills as the result of an accounting oversight.

4           16. a. The superintendent of public instruction shall use the next \$90,000, or so  
5           much of that amount as may be necessary, for the purpose of providing  
6           grants in the amount of \$1,000 to North Dakota residents who:

7           (1) Are licensed to teach by the education standards and practices board;

8           (2) Have taught in this state during each of the last five school years; and

9           (3) Are enrolled in either a master of education program in educational  
10           leadership or a program leading to a specialist diploma in educational  
11           leadership.

12           b. If any of this amount remains after meeting the requirements of this  
13           subsection, the superintendent of public instruction shall distribute that  
14           amount as additional per student payments on a prorated basis, according to  
15           the latest available average daily membership of each school district.

16           17. The superintendent of public instruction shall use the next \$50,000, or so much of  
17           that amount as may be necessary, for the purpose of providing a grant for the  
18           Atlantik-Brucke teacher exchange program.

19           18. The superintendent of public instruction shall use the remainder of the moneys to  
20           provide additional per student payments on a prorated basis according to the latest  
21           available average daily membership of each school district.

22           **SECTION 19. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24           **15.1-02-02. Salary.** The annual salary of the superintendent of public instruction is  
25 ~~eighty eighty-seven thousand five one hundred thirty-one three~~ dollars through June 30, ~~2006~~  
26 ~~2008~~, and ~~eighty-three ninety~~ thousand ~~seven five hundred fifty-three eighty-seven~~ dollars  
27 thereafter.

28           **SECTION 20. EMERGENCY.** Sections 5 and 18 of this Act are declared to be an  
29 emergency measure.