

Sixty-third
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 state library, the school for the deaf, and North Dakota vision services -
3 school for the blind; to provide for a transfer to the general fund; to provide for the distribution of
4 funding for gifted and talented programs and other grants; to amend and reenact sections
5 15.1-02-02 and 15.1-18.1-02 of the North Dakota Century Code, relating to the salary of the
6 superintendent of public instruction and the national board certification program; to provide
7 exemptions; to provide legislative intent; to provide an effective date; and to declare an
8 emergency.

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

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
11 as may be necessary, are appropriated out of any moneys in the general fund in the state
12 treasury, not otherwise appropriated, and from special funds derived from federal funds and
13 other income, to the department of public instruction, the school for the deaf, North Dakota
14 vision services - school for the blind, and the state library for the purpose of defraying the
15 expenses of those agencies, for the biennium beginning July 1, 2013, and ending June 30,
16 2015, as follows:

17 Subdivision 1.

18 DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21 Salaries and wages	\$14,409,300	\$1,193,105	\$15,602,405
22 Accrued leave payments	0	322,068	322,068
23 Operating expenses	29,099,187	531,615	29,630,802
24 Funding pool for initiatives	0	2,500,000	2,500,000

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1	Grants - state school aid	918,459,478	(918,459,478)	0
2	Integrated formula payments	0	1,684,550,000	1,684,550,000
3	Grants - special education contracts	16,000,000	500,000	16,500,000
4	Grants - transportation	48,500,000	0	48,500,000
5	Grants - other grants	304,609,393	(33,969,238)	270,640,155
6	Grants - mill levy reduction	341,790,000	(341,790,000)	0
7	Rapid enrollment grants	5,000,000	(5,000,000)	0
8	Transportation efficiency	30,000	0	30,000
9	National board certification	<u>185,000</u>	<u>(65,000)</u>	<u>120,000</u>
10	Total all funds	\$1,678,082,358	\$390,313,072	\$2,068,395,430
11	Less estimated income	<u>434,485,707</u>	<u>2,277,454</u>	<u>436,763,161</u>
12	Total general fund	\$1,243,596,651	\$388,035,618	\$1,631,632,269
13	Full-time equivalent positions	99.75	0.00	99.75

14 Subdivision 2.

15 STATE LIBRARY

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Salaries and wages	\$3,450,359	\$254,868	\$3,705,227
19	Accrued leave payments	0	75,354	75,354
20	Operating expenses	1,695,726	200,000	1,895,726
21	Grants	<u>2,252,500</u>	<u>0</u>	<u>2,252,500</u>
22	Total all funds	\$7,398,585	\$530,222	\$7,928,807
23	Less estimated income	<u>2,134,610</u>	<u>253,549</u>	<u>2,388,159</u>
24	Total general fund	\$5,263,975	\$276,673	\$5,540,648
25	Full-time equivalent positions	29.75	0.00	29.75

26 Subdivision 3.

27 SCHOOL FOR THE DEAF

28			Adjustments or	
29		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
30	Salaries and wages	\$5,932,638	\$742,929	\$6,675,567
31	Accrued leave payments	0	134,846	134,846

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1	Operating expenses	1,633,911	258,584	1,892,495
2	Capital assets	41,700	1,152,321	1,194,021
3	Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>
4	Total all funds	\$7,808,249	\$2,288,680	\$10,096,929
5	Less estimated income	<u>1,193,277</u>	<u>1,373,306</u>	<u>2,566,583</u>
6	Total general fund	\$6,614,972	\$915,374	\$7,530,346
7	Full-time equivalent positions	43.94	0.67	44.61

8 Subdivision 4.

9 NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

10			Adjustments or	
11		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12	Salaries and wages	\$3,815,825	\$375,245	\$4,191,070
13	Accrued leave payments	0	87,463	87,463
14	Operating expenses	707,006	13,800	720,806
15	Capital assets	<u>39,500</u>	<u>522,900</u>	<u>562,400</u>
16	Total all funds	\$4,562,331	\$999,408	\$5,561,739
17	Less estimated income	<u>835,091</u>	<u>14,693</u>	<u>849,784</u>
18	Total general fund	\$3,727,240	\$984,715	\$4,711,955
19	Full-time equivalent positions	29.50	0.00	29.50

20 Subdivision 5.

21 BILL TOTAL

22			Adjustments or	
23		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24	Grand total general fund	\$1,259,202,838	\$390,212,380	\$1,649,415,218
25	Grand total special funds	<u>438,648,685</u>	<u>4,799,955</u>	<u>443,448,640</u>
26	Grand total all funds	\$1,697,851,523	\$395,012,335	\$2,092,863,858

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

28 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time
 29 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and
 30 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

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	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
1			
2	Department of public instruction		
3	IT application rewrite and maintenance	\$384,000	\$0
4	Education standards and practices board database	200,000	0
5	Education jobs fund	<u>21,517,716</u>	<u>0</u>
6	Total department of public instruction - all funds	\$22,101,716	\$0
7	Total department of public instruction - estimated income	<u>21,717,716</u>	<u>0</u>
8	Total department of public instruction - general fund	\$384,000	\$0
9	School for the deaf		
10	Extraordinary repairs	<u>\$998,530</u>	<u>\$1,002,259</u>
11	Total school for the deaf - all funds	\$998,530	\$1,002,259
12	Total school for the deaf - estimated income	<u>894,730</u>	<u>1,002,259</u>
13	Total school for the deaf - general fund	\$103,800	\$0
14	North Dakota vision services - school for the blind		
15	Equipment	\$25,500	\$20,200
16	Elevator installation	0	241,500
17	Window replacements	0	189,000
18	Extraordinary repairs	0	90,129
19	Facility master plan	20,000	0
20	Instructional equipment	<u>24,500</u>	<u>0</u>
21	Total school for the blind - all funds	\$70,000	\$540,829
22	Total school for the blind - estimated income	<u>0</u>	<u>110,329</u>
23	Total school for the blind - general fund	\$70,000	\$430,500
24	Grand total - all funds	\$23,170,246	\$1,543,088
25	Grand total - estimated income	<u>22,612,446</u>	<u>1,112,588</u>
26	Grand total - general fund	\$557,800	\$430,500

27 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
 28 2015-17 biennium. The department of public instruction, state library, school for the deaf, and
 29 North Dakota vision services - school for the blind shall report to the appropriations committees
 30 of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium
 31 beginning July 1, 2013, and ending June 30, 2015.

1 **SECTION 3. APPROPRIATION.** There is appropriated from special funds derived from
2 federal funds the sum of \$25,000,000, or so much of the sum as may be necessary, to the
3 superintendent of public instruction for grants for the period beginning with the effective date of
4 this Act and ending June 30, 2013.

5 **SECTION 4. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$140,326,000,
6 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is
7 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund
8 that becomes available for distribution to public schools is appropriated to the department of
9 public instruction for that purpose for the biennium beginning July 1, 2013, and ending June 30,
10 2015.

11 **SECTION 5. TRANSFER - PROPERTY TAX RELIEF SUSTAINABILITY FUND TO THE**
12 **GENERAL FUND.** The office of management and budget shall transfer the sum of
13 \$341,790,000 from the property tax relief sustainability fund to the general fund, for the
14 biennium beginning July 1, 2013, and ending June 30, 2015.

15 **SECTION 6. INFORMATION TECHNOLOGY FULL-TIME EQUIVALENT POSITION**
16 **TRANSFER - BUDGET SECTION APPROVAL - LINE ITEM TRANSFER - EMERGENCY**
17 **COMMISSION APPROVAL.** The superintendent of public instruction shall transfer six full-time
18 equivalent information technology positions to the information technology department by
19 September 30, 2014. If the superintendent of public instruction and the chief information officer
20 of the information technology department choose not to transfer these positions by
21 September 30, 2014, the superintendent of public instruction may request budget section
22 approval for an extension of the transfer deadline. After the positions are transferred, the
23 department of public instruction may seek emergency commission approval to transfer funding
24 from the salaries and wages line item to the operating expenses line item to pay for information
25 technology services provided by the information technology department.

26 **SECTION 7. APPROPRIATION - INFORMATION TECHNOLOGY DEPARTMENT.** There is
27 appropriated from special funds derived from other income, the sum of \$880,953, or so much of
28 the sum as may be necessary, to the information technology department for the purpose of
29 defraying the expenses of six full-time equivalent information technology positions transferred
30 from the department of public instruction, for the biennium beginning July 1, 2013, and ending

1 June 30, 2015. The information technology department is authorized six full-time equivalent
2 positions.

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

4 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may
5 expend funds included in the integrated formula payments and grants - special education
6 contracts line items in subdivision 1 of section 1 of this Act in payment of grants for educational
7 services that were due in the 2011-13 biennium but which were not filed, claimed, or properly
8 supported by the education provider until after June 30, 2013.

9 **SECTION 9. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING -**
10 **DISTRIBUTION.**

11 1. The sum of \$800,000, included in the integrated formula payments line item in
12 subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts
13 or special education units for gifted and talented programs upon the submission of an
14 application that is approved in accordance with guidelines adopted by the
15 superintendent of public instruction. The superintendent of public instruction shall
16 encourage cooperative efforts for gifted and talented programs among school districts
17 and special education units.

18 2. State school aid payments for special education must be reduced by the amount of
19 matching funds required to be paid by school districts or special education units for
20 students participating in the medicaid program. Special education funds equal to the
21 amount of the matching funds required to be paid by the school district or special
22 education unit must be paid by the superintendent of public instruction to the
23 department of human services on behalf of the school district or unit.

24 **SECTION 10. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2013-15
25 biennium, the superintendent of public instruction shall expend up to \$800,000 from the
26 integrated formula payments line item in subdivision 1 of section 1 of this Act for the purpose of
27 providing an annual grant to each eligible regional education association in order to assist each
28 association with the cost of compensating a coordinator.

29 1. In order to receive a grant under this section, each regional education association
30 must:

- 1 a. Enter a contract with an individual to serve as a coordinator, on a full-time or a
- 2 part-time basis, for a duration of at least twelve months; and
- 3 b. Provide from other revenue sources at least thirty percent of the total
- 4 compensation payable to the coordinator.
- 5 2. The maximum grant payable to a regional education association under this section
- 6 during each year of the biennium is the lesser of \$50,000 or seventy percent of the
- 7 total compensation payable to the coordinator.

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

- 9 1. During each year of the 2013-15 biennium, the superintendent of public instruction
- 10 shall calculate the payment to which each school district is entitled based on the state
- 11 transportation formula as it existed on June 30, 2001, except that the superintendent
- 12 shall provide reimbursement at the rate of:
- 13 a. One dollar and three cents per mile for schoolbuses having a capacity of ten or
- 14 more passengers;
- 15 b. Forty-six cents per mile for vehicles having a capacity of nine or fewer
- 16 passengers;
- 17 c. Forty-six cents per mile, provided:
 - 18 (1) The student being transported is a student with a disability, as defined in
 - 19 chapter 15.1-32;
 - 20 (2) The student's individualized education program plan requires that the
 - 21 student attend a public or a nonpublic school located outside the student's
 - 22 school district of residence;
 - 23 (3) The student is transported by an adult member of the student's family;
 - 24 (4) The student is transported in a vehicle furnished by the student's parents;
 - 25 (5) The student's transportation is paid for by the student's parents; and
 - 26 (6) The reimbursement does not exceed two round trips daily between the
 - 27 student's home and school;
- 28 d. Forty-six cents per mile, one way, provided:
 - 29 (1) The student being transported resides more than two miles from the public
 - 30 school that the student attends;
 - 31 (2) The student is transported by an adult member of the student's family;

1 distribute that amount as an additional per student payment on a prorated basis,
2 according to the latest available average daily membership of each school district.

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

5 **SECTION 14. EXEMPTION - FUNDING POOL FOR INITIATIVES - LINE ITEM**
6 **TRANSFER.** Notwithstanding the provisions of section 54-16-04, the superintendent of public
7 instruction shall transfer funding from the funding pool for initiatives line item in subdivision 1 of
8 section 1 of this Act, to the extent necessary, to the appropriate line item for expending the
9 funds for each initiative. The superintendent of public instruction shall report to the office of
10 management and budget regarding all transfers from the funding pool for initiatives line item.

11 **SECTION 15. OTHER GRANTS - REPORTING.** The superintendent of public instruction
12 shall develop a format for reporting on the cost per participant and the outcomes of other grants
13 and report to the sixty-fourth legislative assembly regarding participation, cost, and outcomes of
14 these grants.

15 **SECTION 16. DEPARTMENT OF PUBLIC INSTRUCTION STUDY - FEDERAL FUNDING.**
16 The superintendent of public instruction shall study the costs and benefits of accepting federal
17 funds and the consequences of declining federal funds and report its findings to the sixty-fourth
18 legislative assembly.

19 **SECTION 17. LEGISLATIVE INTENT - GEARING UP FOR KINDERGARTEN.** It is the
20 intent of the sixty-third legislative assembly that school districts may participate in the gearing
21 up for kindergarten program if approved by the school board of the local school district.

22 **SECTION 18. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
23 subdivision 2 of section 1 of this Act includes \$1,500,000 for aid to public libraries, of which no
24 more than one-half is to be expended during the fiscal year ending June 30, 2014.

25 **SECTION 19. FEES DEPOSITED IN NORTH DAKOTA VISION SERVICES - SCHOOL**
26 **FOR THE BLIND OPERATING FUND.** Any moneys included in the estimated income line item
27 in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be
28 deposited in the North Dakota vision services - school for the blind operating fund in the state
29 treasury and may be spent subject to appropriation by the legislative assembly.

30 **SECTION 20. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT**

1 **PROGRAM.** The grants line item contained in subdivision 3 of section 1 of this Act is for the
2 purpose of providing grants to assist institutions under the control of the state board of higher
3 education with the cost of interpreters and real-time captioning for students who are deaf or
4 hard of hearing, for the biennium beginning July 1, 2013, and ending June 30, 2015. Moneys
5 appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed
6 pursuant to the provisions of this section:

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

22 **SECTION 21. 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.**

25 The annual salary of the superintendent of public instruction is one hundred ~~two~~nine
26 thousand ~~eight~~one hundred ~~sixty-eight~~thirty-three dollars through June 30, ~~2012~~2014, and one
27 hundred ~~five~~twelve thousand ~~nine~~four hundred ~~fifty-four~~seven dollars thereafter.

28 **SECTION 22. AMENDMENT.** Section 15.1-18.1-02 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **15.1-18.1-02. National board certification program - Recertification - Board duties.**

- 31 1. The board shall:

- 1 a. Inform teachers of the national board certification program and the scholarships
2 and services the national board provides to teachers seeking certification.
- 3 b. Collect and review in the order received scholarship applications from individuals
4 who are licensed to teach by the board or approved to teach by the board.
- 5 c. (1) Approve no more than seventeen applications per year under this
6 subsection;
- 7 (2) During each year of the biennium, reserve three of the available
8 scholarships under this subsection until October first for individuals teaching
9 at low-performing schools. At that time, the three slots, if not filled, become
10 available to all other applicants;
- 11 (3) Require the recipient for a scholarship under this subsection to serve during
12 the school year as a full-time classroom teacher in a public or nonpublic
13 school in this state; and
- 14 (4) If available, require the recipient for a scholarship under this subsection to
15 participate in mentoring programs developed and implemented in the
16 employing school or school district.
- 17 d. Ensure that all scholarship recipients under this subsection receive adequate
18 information regarding the level of commitment required to acquire certification.
- 19 2. The board shall collect and review in the order received scholarship applications for
20 national board recertification from individuals who are licensed to teach by the board
21 or approved to teach by the board and:
22 a. Approve no more than three scholarship applications per year under this
23 subsection;
- 24 b. Require each recipient for a scholarship under this subsection to serve during the
25 school year as a full-time classroom teacher in a public or nonpublic school in
26 this state; and
- 27 c. If available, require each recipient for a scholarship under this subsection to
28 participate in mentoring programs developed and implemented in the employing
29 school or school district.
- 30 3. If any individual who receives a scholarship under this section does not complete the
31 certification process within the time allotted by the board, the individual must

1 reimburse the state an amount equal to one-half of the amount awarded to the
2 individual as a scholarship.

3 4. ~~The board shall pay to any individual who received national board certification before~~
4 ~~July 1, 2007, one thousand dollars for each year the individual has maintained and~~
5 ~~continues to maintain national board certification, provided the individual continues to~~
6 ~~be employed by a school district in this state. An individual may not receive more than~~
7 ~~four thousand dollars under this subsection.~~

8 5. a. At the conclusion of each school year after an individual receives national board
9 certification, the board shall pay to an individual an additional one thousand
10 dollars for the life of the national board certificate if:

11 (1)a. The individual was employed during the school year as a full-time classroom
12 teacher by a school district in this state; and

13 (2)b. The individual participated in any efforts of the employing school district to
14 develop and implement teacher mentoring programs.

15 b. ~~The payment provided for in this subsection is available beginning with the~~
16 ~~2007-08 school year.~~

17 6.5. A contract negotiated under chapter 15.1-16 may not preclude or limit the ability of a
18 school district or any other entity, public or private, from providing any remuneration to
19 a teacher who has obtained national board certification. Any remuneration received by
20 a teacher as a consequence of having obtained national board certification is in
21 addition to any other compensation otherwise payable as a result of any contract
22 negotiated under chapter 15.1-16.

23 **SECTION 23. EFFECTIVE DATE.** Section 22 of this Act becomes effective July 1, 2015.

24 **SECTION 24. EMERGENCY.** Section 3 of this Act is declared to be an emergency
25 measure.