

Sixty-fourth
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 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 54-24 of the of the
4 North Dakota Century Code, relating to the state library operating fund; to amend and reenact
5 sections 15.1-02-02, 15.1-07-33, 24-02-03.3, and 39-01-03 of the North Dakota Century Code,
6 relating to the salary of the superintendent of public instruction, PowerSchool, and the
7 management and use of motor vehicles owned by the state.

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, 2015, and ending June 30,
15 2017, 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	\$15,940,953	\$2,415,113	\$18,356,066
21	Accrued leave payments	322,068	(322,068)	0
22	Operating expenses	29,430,802	1,397,390	30,828,192
23	Integrated formula payments	1,752,100,000	278,700,000	2,030,800,000
24	Grants - special education contracts	16,500,000	800,000	17,300,000

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1	Grants - transportation	53,500,000	6,500,000	60,000,000
2	Grants - other grants	272,996,261	(2,115,539)	270,880,722
3	PowerSchool	0	6,000,000	6,000,000
4	Rapid enrollment grants	13,600,000	1,200,000	14,800,000
5	Transportation efficiency	30,000	0	30,000
6	National board certification	<u>120,000</u>	<u>0</u>	<u>120,000</u>
7	Total all funds	\$2,154,540,084	\$294,574,896	\$2,449,114,980
8	Less estimated income	<u>436,996,759</u>	<u>71,684,108</u>	<u>508,680,867</u>
9	Total general fund	\$1,717,543,325	\$222,890,788	\$1,940,434,113
10	Full-time equivalent positions	99.75	0.00	99.75

Subdivision 2.

STATE LIBRARY

13			Adjustments or	
14		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
15	Salaries and wages	\$3,780,053	\$423,714	\$4,203,767
16	Accrued leave payments	75,354	(75,354)	0
17	Operating expenses	1,895,726	0	1,895,726
18	Grants	<u>2,519,000</u>	<u>616,500</u>	<u>3,135,500</u>
19	Total all funds	\$8,270,133	\$964,860	\$9,234,993
20	Less estimated income	<u>2,394,145</u>	<u>45,116</u>	<u>2,439,261</u>
21	Total general fund	\$5,875,988	\$919,744	\$6,795,732
22	Full-time equivalent positions	29.75	0.00	29.75

Subdivision 3.

SCHOOL FOR THE DEAF

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Salaries and wages	\$6,932,905	\$821,327	\$7,754,232
28	Accrued leave payments	134,846	(134,846)	0
29	Operating expenses	1,908,794	139,502	2,048,296
30	Capital assets	191,762	675,412	867,174
31	Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>

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1	Total all funds	\$9,368,307	\$1,501,395	\$10,869,702
2	Less estimated income	<u>1,568,928</u>	<u>124,642</u>	<u>1,693,570</u>
3	Total general fund	\$7,799,379	\$1,376,753	\$9,176,132
4	Full-time equivalent positions	44.61	1.00	45.61
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	\$4,415,180	\$369,061	\$4,784,241
10	Accrued leave payments	87,463	(87,463)	0
11	Operating expenses	707,006	157,700	864,706
12	Capital assets	<u>35,364</u>	<u>46,590</u>	<u>81,954</u>
13	Total all funds	\$5,245,013	\$485,888	\$5,730,901
14	Less estimated income	<u>743,427</u>	<u>(111,584)</u>	<u>631,843</u>
15	Total general fund	\$4,501,586	\$597,472	\$5,099,058
16	Full-time equivalent positions	30.00	0.00	30.00
17	Subdivision 5.			

BILL TOTAL

19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Grand total general fund	\$1,735,720,278	\$225,784,757	\$1,961,505,035
22	Grand total special funds	<u>441,703,259</u>	<u>71,742,282</u>	<u>513,445,541</u>
23	Grand total all funds	\$2,177,423,537	\$297,527,039	\$2,474,950,576

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

SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

28	<u>One-Time Funding Description</u>		<u>2013-15</u>	<u>2015-17</u>
29	Department of public instruction			
30	Funding pool for initiatives		\$2,750,000	\$0
31	Information technology staffing analysis		100,000	0

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1	Early childhood care and education study	200,000	0
2	Governing North Dakota textbook	20,000	0
3	Safety grants	3,000,000	0
4	Free or reduced meals information technology	0	30,000
5	Rapid enrollment grants	<u>0</u>	<u>14,800,000</u>
6	Total department of public instruction - general fund	\$6,070,000	\$14,830,000
7	State library		
8	Library repair grants	<u>\$0</u>	<u>\$250,000</u>
9	Total state library- general fund	\$0	\$250,000
10	School for the deaf		
11	Extraordinary repairs	<u>\$1,002,259</u>	<u>\$600,000</u>
12	Total school for the deaf - estimated income	\$1,002,259	\$600,000
13	North Dakota vision services - school for the blind		
14	Equipment	\$20,200	\$21,000
15	Elevator installation	241,500	0
16	Window replacements	189,000	0
17	Extraordinary repairs	90,136	0
18	Remodel of west wing	2,762,000	0
19	Special assessments payoff	0	19,000
20	Server and access points	<u>0</u>	<u>16,000</u>
21	Total school for the blind - all funds	\$3,302,836	\$56,000
22	Total school for the blind - estimated income	<u>110,329</u>	<u>56,000</u>
23	Total school for the blind - general fund	\$3,192,507	\$0
24	Grand total - all funds	\$10,375,095	\$15,736,000
25	Grand total - estimated income	<u>1,112,588</u>	<u>656,000</u>
26	Grand total - general fund	\$9,262,507	\$15,080,000

27 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the
 28 2017-19 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-fifth legislative assembly on the use of this one-time funding for the biennium
 31 beginning July 1, 2015, and ending June 30, 2017.

1 **SECTION 3. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$219,134,000,
2 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is
3 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund
4 that becomes available for distribution to public schools is appropriated to the department of
5 public instruction for that purpose for the biennium beginning July 1, 2015, and ending June 30,
6 2017.

7 **SECTION 4. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**
8 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may
9 expend funds included in the integrated formula payments and grants - special education
10 contracts line items in subdivision 1 of section 1 of this Act in payment of grants for educational
11 services that were due in the 2013-15 biennium but which were not filed, claimed, or properly
12 supported by the education provider until after June 30, 2015.

13 **SECTION 5. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING -**
14 **DISTRIBUTION.**

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

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

28 **SECTION 6. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2015-17
29 biennium, the superintendent of public instruction shall expend up to \$800,000 from the
30 integrated formula payments line item in subdivision 1 of section 1 of this Act for the purpose of

1 providing an annual grant to each eligible regional education association in order to assist each
2 association with the cost of compensating a coordinator.

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

5 a. Enter a contract with an individual to serve as a coordinator, on a full-time or a
6 part-time basis, for a duration of at least twelve months; and

7 b. Provide from other revenue sources at least thirty percent of the total
8 compensation payable to the coordinator.

9 2. The maximum grant payable to a regional education association under this section
10 during each year of the biennium is the lesser of \$50,000 or seventy percent of the
11 total compensation payable to the coordinator.

12 **SECTION 7. TRANSPORTATION GRANTS - DISTRIBUTION.**

13 1. During each year of the 2015-17 biennium, the superintendent of public instruction
14 shall calculate the payment to which each school district is entitled based on the state
15 transportation formula as it existed on June 30, 2001, except that the superintendent
16 shall provide reimbursement at the rate of:

17 a. One dollar and twenty-seven cents per mile for school buses having a capacity of
18 ten or more passengers;

19 b. Sixty cents per mile for vehicles having a capacity of nine or fewer passengers;

20 c. Sixty cents per mile, provided:

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

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

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

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

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

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

31 d. Sixty cents per mile, one way, provided:

- 1 (1) The student being transported resides more than two miles from the public
- 2 school that the student attends;
- 3 (2) The student is transported by an adult member of the student's family;
- 4 (3) The student is transported in a vehicle furnished by the student's parents;
- 5 and
- 6 (4) The student's transportation is paid for by the student's parents.
- 7 e. Thirty-two cents per student for each one-way trip.
- 8 f. The superintendent of public instruction shall use the latest available student
- 9 enrollment count in each school district in applying the provisions of subsection 1.
- 10 g. If any moneys provided for transportation payments in the grants - transportation
- 11 line item in subdivision 1 of section 1 of this Act, remain after application of the
- 12 formula provided for in this section, the superintendent of public instruction shall
- 13 prorate the remaining amounts according to the percentage of the total
- 14 transportation formula amount to which each school district is entitled.
- 15 h. This section does not authorize the reimbursement of any costs incurred in
- 16 providing transportation for student attendance at extracurricular activities or
- 17 events.

18 **SECTION 8. RAPID ENROLLMENT GRANTS - DISTRIBUTION.** The sum of \$14,800,000,
19 or so much of the sum as may be necessary, included in the rapid enrollment grants line item in
20 subdivision 1 of section 1 of this Act is provided for grants to any school district that can
21 demonstrate qualifying rapid enrollment growth, for the biennium beginning July 1, 2015, and
22 ending June 30, 2017. The superintendent of public instruction shall award grants to eligible
23 districts meeting the following criteria:

- 24 1. A district is eligible to receive a grant under this section if the number of students
- 25 reflected in the district's September tenth enrollment report exceeds the number of
- 26 students in the prior year September tenth enrollment report as follows:
- 27 a. For Tier 1 funding, the increase must be at least four percent or one hundred fifty
- 28 students and must be at least twenty students; or
- 29 b. For Tier 2 funding, the increase must be at least two percent or seventy-five
- 30 students and must be at least ten students.

- 1 2. The superintendent of public instruction shall calculate the amount to which an eligible
2 district is entitled as follows:
 - 3 a. Determine the actual percentage increase in the number of students and subtract
4 two from the percentage calculated;
 - 5 b. Determine the number of students represented by the difference determined in
6 subdivision a of this section;
 - 7 c. Multiply the number of students determined in subdivision b of this section by:
 - 8 (1) \$4,000 for Tier 1 funding; or
 - 9 (2) \$2,000 for Tier 2 funding.
- 10 3. If the amount of the appropriation provided for in this Act is insufficient to meet the
11 obligations of this section, the superintendent of public instruction shall prorate the
12 payment based on the percentage of the total amount to which each school district is
13 entitled.
- 14 4. The superintendent of public instruction may not expend more than \$7,400,000 in
15 grants under this section during the first year of the biennium.
- 16 5. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not
17 eligible to receive a grant under this section.

18 **SECTION 9. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION.** The
19 sum of \$150,000, or so much of the sum as may be necessary, included in the grants - other
20 grants line item in subdivision 1 of section 1 of this Act is provided for continuing education
21 grants, for the biennium beginning July 1, 2015, and ending June 30, 2017.

- 22 1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to
23 eligible recipients in chronological order, based on the date of an individual's
24 application. An eligible recipient must:
 - 25 a. (1) Be licensed to teach by the education standards and practices board;
 - 26 (2) Have taught in this state during each of the last three school years; and
 - 27 (3) Be enrolled at an institution of higher education in this state in either a
28 master of education program in educational leadership or a program leading
29 to a specialist diploma in educational leadership;
 - 30 b. Be pursuing the requirements for a certificate in career development facilitation;
 - 31 or

1 c. Be pursuing a school counselor credential.

2 2. If any of the amount appropriated for this purpose remains after the superintendent of
3 public instruction has awarded grants to all eligible recipients, the superintendent shall
4 distribute that amount as an additional per student payment on a prorated basis,
5 according to the latest available average daily membership of each school district.

6 **SECTION 10. CARDIOPULMONARY RESUSCITATION TRAINING GRANTS - FUNDING**

7 **- DISTRIBUTION.** During the 2015-17 biennium, the superintendent of public instruction shall
8 expend up to \$450,000 from the grants - other grants line item in subdivision 1 of section 1 of
9 this Act for the purpose of providing cardiopulmonary resuscitation training grants as provided in
10 chapter 58 of the 2013 Session Laws except that grants may be provided for training made
11 available to students at both the high school and middle school levels.

12 **SECTION 11. INDIRECT COST ALLOCATION.** Notwithstanding section 54-44.1-15, the
13 department of public instruction may deposit indirect cost recoveries in its operating account.

14 **SECTION 12. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in
15 subdivision 2 of section 1 of this Act includes \$2,133,000 for aid to public libraries, of which no
16 more than one-half is to be expended during the fiscal year ending June 30, 2016.

17 **SECTION 13. OTHER GRANTS - REPORTING.** The superintendent of public instruction
18 shall continue reporting on the cost per participant and the outcomes of other grants and report
19 to the sixty-fifth legislative assembly regarding participation, cost, and outcomes of these
20 grants.

21 **SECTION 14. FEES DEPOSITED IN NORTH DAKOTA VISION SERVICES - SCHOOL**
22 **FOR THE BLIND OPERATING FUND.** Any moneys included in the estimated income line item
23 in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be
24 deposited in the North Dakota vision services - school for the blind operating fund in the state
25 treasury and may be spent subject to appropriation by the legislative assembly.

26 **SECTION 15. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT**
27 **PROGRAM.** The grants line item contained in subdivision 3 of section 1 of this Act is for the
28 purpose of providing grants to assist institutions under the control of the state board of higher
29 education with the cost of interpreters and real-time captioning for students who are deaf or
30 hard of hearing, for the biennium beginning July 1, 2015, and ending June 30, 2017. Moneys

1 appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed
2 pursuant to the provisions of this section:

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

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

20 **15.1-02-02. Salary.**

21 The annual salary of the superintendent of public instruction is ~~one hundred ten thousand~~
22 ~~one hundred ninety two dollars through June 30, 2014, and one hundred thirteen thousand four~~
23 ~~hundred ninety eight~~ one hundred sixteen thousand nine hundred three dollars through June 30,
24 2016, and one hundred twenty thousand four hundred ten dollars thereafter.

25 **SECTION 17. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **15.1-07-33. Student information system - ~~Statewide coordination -- Financial support --~~**
28 **Exemption.**

- 29 1. Notwithstanding any other technology requirements imposed by the superintendent of
30 public instruction, the information technology department, or the North Dakota
31 educational technology council, each school district shall acquire PowerSchool

1 through the information technology department and use it as its principal student
2 information system.

3 2. ~~The superintendent of public instruction shall forward that portion of a school district's~~
4 ~~state aid which is payable by the superintendent under subdivision n of subsection 1 of~~
5 ~~section 15.1-27-03.1 directly to the information technology department to reimburse~~
6 ~~the department for the cost of the school district's acquisition, implementation, or~~
7 ~~utilization of PowerSchool and any related technology support services. The~~
8 ~~superintendent shall forward the amount payable under this subsection at the same~~
9 ~~time and in the same manner as provided for other state aid payments under section~~
10 ~~15.1-27-01.~~

11 3. ~~If the portion of a school district's state aid forwarded to the information technology~~
12 ~~department under subsection 2 exceeds the cost incurred by the information~~
13 ~~technology department in providing for the school district's acquisition,~~
14 ~~implementation, or utilization of PowerSchool and any related technology support~~
15 ~~services, the information technology department shall return the excess moneys to the~~
16 ~~superintendent of public instruction for redistribution to the school district as per~~
17 ~~student payments.~~

18 4. The superintendent of public instruction may exempt a school district from having to
19 acquire and utilize PowerSchool if the school district demonstrates that, in accordance
20 with requirements of the bureau of Indian education, the district has acquired and is
21 utilizing a student information system that is determined to be comparable by the
22 superintendent.

23 **SECTION 18. AMENDMENT.** Section 24-02-03.3 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **24-02-03.3. Central management system for all state-owned licensed motor vehicles.**

26 1. The director shall establish within the department a central vehicle management
27 system to regulate the operation, maintenance, and management of all motor vehicles
28 owned or leased by the state subject to registration under chapters 39-04 and 39-05.
29 Upon the request of a state agency and an agreement between the agency and
30 director for the use of the motor vehicle-related equipment, the director may purchase
31 or lease motor vehicle-related equipment and include that equipment within the

1 system. The director shall provide a uniform method of documenting the use and cost
2 of operation of motor vehicles and motor vehicle-related equipment in the system. The
3 director shall advise the director of the office of management and budget as to the
4 need to acquire or dispose of system motor vehicles. The specifications for highway
5 patrol vehicles to be acquired may be set by the highway patrol superintendent. Every
6 state agency, institution, department, board, bureau, and commission unless
7 exempted by the director must use the system. At the request of the director of the
8 North Dakota agricultural experiment station, certain vehicles used in farming
9 operations at the agronomy seed farm and branch research centers shall be exempt
10 from the requirements of this section. However, an agency, institution, department,
11 board, bureau, or commission may authorize the use of an employee's personal motor
12 vehicle pursuant to subsection 4 of section 54-06-09.

13 2. The director may enter into an agreement with a state employee who has a disability
14 requiring a specially-equipped vehicle to pay a mileage rate greater than the rate
15 established in section 54-06-09 for the employee's use of the employee's
16 specially-equipped motor vehicle while conducting state business. The rate must be
17 based on the rate provided in section 54-06-09, increased by the actual cost per mile
18 caused by the special equipment, and may not exceed the cost associated with the
19 special equipment expressed as the new value plus the depreciated fair market value
20 in eight years divided by two, divided by twenty thousand miles.

21 3. Each entity required to use the system shall submit records of the operation of each
22 vehicle as directed by the director.

23 4. The director may enter an agreement for the use of the motor vehicle-related
24 equipment with the North Dakota art museum established in section 54-02-11.

25 **SECTION 19. AMENDMENT.** Section 39-01-03 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **39-01-03. Motor vehicle owned by the state, North Dakota art museum, or an**
28 **international peace garden not to be used for private use or in political activities.**

29 ~~No person~~A person, officer, or employee of the state or of any department, board, bureau,
30 commission, institution, industry, or other agency of the state, or person, officer, or employee of
31 the North Dakota art museum, or of any entity located upon the international boundary line

1 between the United States of America and Canada used and maintained as a memorial to
2 commemorate the long-existing relationship of peace and good will between the people and the
3 governments of the United States of America and Canada and to further international peace
4 among the nations of the world, may not use or drive any motor vehicle belonging to the state or
5 to any department, board, bureau, commission, institution, industry, or other agency of the state,
6 or person, officer, or employee of the North Dakota art museum, or of any entity located upon
7 the international boundary line between the United States of America and Canada used and
8 maintained as a memorial to commemorate the long-existing relationship of peace and good will
9 between the people and the governments of the United States of America and Canada and to
10 further international peace among the nations of the world, for private use, or while engaged in
11 any political activity.

12 **SECTION 20.** A new section to chapter 54-24 of the North Dakota Century Code is created
13 and enacted as follows:

14 **State library operating fund.**

15 The state library's operating fund is a special fund in the state treasury. All moneys received for
16 book replacement, cataloging services, and other miscellaneous library services must be
17 deposited in this fund. Moneys in the fund are to be used pursuant to legislative appropriation
18 for provision of services under this chapter.