

SENATE BILL NO. 2013

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 North Dakota vision services -
3 school for the blind; to amend and reenact sections 15.1-02-02 and 54-24.3-01 of the North
4 Dakota Century Code, relating to the salary of the superintendent of public instruction and
5 regional library cooperative definitions; to provide for a transfer; to provide for reports; and to
6 provide an exemption.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
9 as may be necessary, are appropriated out of any moneys in the general fund in the state
10 treasury, not otherwise appropriated, and from special funds derived from federal funds and
11 other income, to the department of public instruction, the state library, the school for the deaf,
12 and North Dakota vision services - school for the blind for the purpose of defraying the
13 expenses of those agencies, for the biennium beginning July 1, 2023, and ending June 30,
14 2025, as follows:

15 Subdivision 1.

16 DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Governor's</u>		
	<u>Base Level</u>	<u>Recommendation</u>	<u>Appropriation</u>
17			
18			
19	<u>Salaries and wages</u>	<u>\$17,854,747</u>	<u>\$19,610,401</u>
20	<u>Operating expenses</u>	<u>33,098,149</u>	<u>33,293,320</u>
21	<u>Integrated formula payments</u>	<u>2,131,825,000</u>	<u>2,270,040,156</u>
22	<u>Grants - special education</u>	<u>27,000,000</u>	<u>27,000,000</u>
23	<u>Grants - transportation</u>	<u>58,100,000</u>	<u>58,100,000</u>
24	<u>Grants - other grants</u>	<u>312,738,893</u>	<u>382,738,893</u>

Sixty-eighth
Legislative Assembly

1	Grants - program grants	0	9,500,000	0
2	Grants - passthrough grants	0	12,512,828	0
3	Grants - program and passthrough	10,387,064	0	10,387,064
4	PowerSchool	5,250,000	5,775,000	5,250,000
5	National board certification	176,290	176,290	176,290
6	Total all funds	\$2,596,430,143	\$2,818,746,888	\$2,596,430,143
7	Less estimated income	938,233,270	1,237,388,125	938,233,270
8	Total general fund	\$1,658,196,873	\$1,581,358,763	\$1,658,196,873
9	Full-time equivalent positions	86.25	86.25	86.25
10			Adjustments or	
11		Base Level	Enhancements	Appropriation
12	Salaries and wages	\$17,854,747	\$1,459,112	\$19,313,859
13	Operating expenses	33,098,149	195,171	33,293,320
14	Integrated formula payments	2,131,825,000	316,826,200	2,448,651,200
15	Grants - special education	27,000,000	0	27,000,000
16	Grants - transportation	58,100,000	0	58,100,000
17	Grants - other grants	312,738,893	70,000,000	382,738,893
18	Grants - program grants	0	13,780,000	13,780,000
19	Grants - passthrough grants	0	2,229,764	2,229,764
20	Grants - program and passthrough	10,387,064	(10,387,064)	0
21	PowerSchool	5,250,000	525,000	5,775,000
22	National board certification	176,290	0	176,290
23	Total all funds	\$2,596,430,143	\$394,628,183	\$2,991,058,326
24	Less estimated income	938,233,270	154,404,811	1,092,638,081
25	Total general fund	\$1,658,196,873	\$240,223,372	\$1,898,420,245
26	Full-time equivalent positions	86.25	0.00	86.25
27	Subdivision 2.			
28		STATE LIBRARY		
29			Governor's	
30		Base Level	Recommendation	Appropriation
31	Salaries and wages	\$4,139,907	\$4,546,867	\$4,139,907

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1	Operating expenses	1,822,703	2,356,108	1,822,703
2	Grants	2,233,528	2,283,528	2,233,528
3	Total all funds	\$8,196,138	\$9,186,503	\$8,196,138
4	Less estimated income	2,364,417	2,152,915	2,364,417
5	Total general fund	\$5,831,721	\$7,033,588	\$5,831,721
6	Full-time equivalent positions	26.75	26.75	26.75
7		<u>Adjustments or</u>		
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	<u>Salaries and wages</u>	<u>\$4,139,907</u>	<u>\$345,606</u>	<u>\$4,485,513</u>
10	<u>Operating expenses</u>	<u>1,822,703</u>	<u>415,770</u>	<u>2,238,473</u>
11	<u>Grants</u>	<u>2,233,528</u>	<u>50,000</u>	<u>2,283,528</u>
12	<u>Total all funds</u>	<u>\$8,196,138</u>	<u>\$811,376</u>	<u>\$9,007,514</u>
13	<u>Less estimated income</u>	<u>2,364,417</u>	<u>(221,410)</u>	<u>2,143,007</u>
14	<u>Total general fund</u>	<u>\$5,831,721</u>	<u>\$1,032,786</u>	<u>\$6,864,507</u>
15	<u>Full-time equivalent positions</u>	<u>26.75</u>	<u>0.00</u>	<u>26.75</u>

Subdivision 3.

SCHOOL FOR THE DEAF

18		<u>Governor's</u>		
19		<u>Base Level</u>	<u>Recommendation</u>	<u>Appropriation</u>
20	Salaries and wages	\$8,332,820	\$9,266,437	\$8,332,820
21	Operating expenses	1,705,586	1,825,757	1,705,586
22	Capital assets	158,678	1,002,178	158,678
23	Total all funds	\$10,197,084	\$12,094,372	\$10,197,084
24	Less estimated income	2,790,528	3,680,550	2,790,528
25	Total general fund	\$7,406,556	\$8,413,822	\$7,406,556
26	Full-time equivalent positions	44.61	45.36	44.61
27		<u>Adjustments or</u>		
28		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
29	<u>Salaries and wages</u>	<u>\$8,332,820</u>	<u>\$855,432</u>	<u>\$9,188,252</u>
30	<u>Operating expenses</u>	<u>1,705,586</u>	<u>120,171</u>	<u>1,825,757</u>
31	<u>Capital assets</u>	<u>158,678</u>	<u>843,500</u>	<u>1,002,178</u>

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1	Total all funds	\$10,197,084	\$1,819,103	\$12,016,187
2	Less estimated income	2,790,528	887,693	3,678,221
3	Total general fund	\$7,406,556	\$931,410	\$8,337,966
4	Full-time equivalent positions	44.61	0.75	45.36

5 Subdivision 4.

6 NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

7	<u>Governor's</u>			
8		<u>Base Level</u>	<u>Recommendation</u>	<u>Appropriation</u>
9	Salaries and wages	\$4,992,194	\$5,478,500	\$4,992,194
10	Operating expenses	792,671	895,686	792,671
11	Capital assets	39,192	478,192	39,192
12	Total all funds	\$5,824,057	\$6,852,378	\$5,824,057
13	Less estimated income	1,062,178	1,668,476	1,062,178
14	Total general fund	\$4,761,879	\$5,183,902	\$4,761,879
15	Full-time equivalent positions	27.75	27.75	27.75

16 Adjustments or

17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Salaries and wages	\$4,992,194	\$445,666	\$5,437,860
19	Operating expenses	792,671	103,015	895,686
20	Capital assets	39,192	439,000	478,192
21	Total all funds	\$5,824,057	\$987,681	\$6,811,738
22	Less estimated income	1,062,178	602,245	1,664,423
23	Total general fund	\$4,761,879	\$385,436	\$5,147,315
24	Full-time equivalent positions	27.75	0.00	27.75

25 Subdivision 5.

26 TOTAL - SECTION 1

27	<u>Governor's</u>			
28		<u>Base Level</u>	<u>Recommendation</u>	<u>Appropriation</u>
29	Grand total general fund	\$1,676,197,029	\$1,601,990,075	\$1,676,197,029
30	Grand total special funds	944,450,393	1,244,890,066	944,450,393
31	Grand total all funds	\$2,620,647,422	\$2,846,880,141	\$2,620,647,422

	Adjustments or		
	Base Level	Enhancements	Appropriation
Grand total general fund	\$1,676,197,029	\$242,573,004	\$1,918,770,033
Grand total special funds	944,450,393	155,673,339	1,100,123,732
Grand total all funds	\$2,620,647,422	\$398,246,343	\$3,018,893,765

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2021-23	2023-25
Department of public instruction		
Science experiments grant	\$13,500,000	\$0
Regional education association grants	250,000	0
State automated reporting system maintenance	200,000	0
Children's science center	5,900,000	0
State automated reporting system and statewide longitudinal data system upgrades	10,100,000	0
Elementary and secondary school emergency education relief	305,266,879	0
Emergency education relief homeless children and youth program	1,999,661	0
Assistance to nonpublic schools	4,151,371	0
Individuals with disabilities education act grant	8,632,569	0
Total department of public instruction - all funds	\$350,000,480	\$0
Total department of public instruction - estimated income	349,800,480	0
Total department of public instruction - general fund	\$200,000	\$0
Science experiments grant	\$13,500,000	\$0
Regional education association grants	250,000	0

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1	State automated reporting system maintenance	200,000	0
2	Children's science center	5,900,000	0
3	State automated reporting system and	10,100,000	0
4	statewide longitudinal data system upgrades		
5	Elementary and secondary school emergency	305,266,879	0
6	education relief		
7	Emergency education relief homeless children	1,999,661	0
8	and youth program		
9	Assistance to nonpublic schools	4,151,371	0
10	Individuals with disabilities education act grant	8,632,569	0
11	Grow-your-own teacher program	0	3,000,000
12	School board training grants	0	2,000,000
13	Cybersecurity training for teachers	0	1,000,000
14	Total department of public instruction -	\$350,000,480	\$6,000,000
15	all funds		
16	Total department of public instruction -	349,800,480	6,000,000
17	estimated income		
18	Total department of public instruction -	\$200,000	\$0
19	general fund		
20	State library		
21	COVID-19 salaries and wages	\$86,669	\$0
22	COVID-19 operating expenses	1,580,057	0
23	COVID-19 grants	500,000	0
24	Total state library estimated income	\$2,166,726	\$0
25	COVID-19 salaries and wages	\$86,669	\$0
26	COVID-19 operating expenses	1,580,057	0
27	COVID-19 grants	500,000	0
28	Retirement leave payouts	0	40,000
29	Maintenance of effort	0	100,000
30	IT equipment	0	43,000
31	Building renovations	0	150,000

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1	Total state library - all funds	\$2,166,726	\$333,000
2	Total state library - estimated income	2,166,726	0
3	Total state library - general fund	\$0	\$333,000
4	School for the deaf		
5	Campus server upgrade	\$7,500	\$0
6	Operating expenses	21,500	0
7	Equipment	40,000	0
8	Boiler and resource center projects	650,000	0
9	Total school for the deaf - estimated income	\$719,000	\$0
10	Campus server upgrade	\$7,500	\$0
11	Operating expenses	21,500	0
12	Equipment	40,000	43,500
13	Boiler and resource center projects	650,000	0
14	Operating expense inflation	0	120,171
15	Boiler replacement	0	650,000
16	Fire alarm and controls	0	150,000
17	Total school for the deaf - all funds	\$719,000	\$963,671
18	Total school for the deaf - estimated income	719,000	873,586
19	Total school for the deaf - general fund	\$0	\$90,085
20	North Dakota vision services - school for the blind		
21	Vision screening devices	\$11,500	\$0
22	Replace flooring	10,000	0
23	Replace south wing air conditioning	40,000	0
24	Repair sidewalk, roof, and parking lot	24,000	0
25	Replace doors and key system	45,000	0
26	Heating, ventilation, and air conditioning upgrades	86,000	0
27	Install LED lighting	33,000	0
28	South wing electrical service	165,000	0
29	Total school for the blind - estimated income	\$414,500	\$0
30	Vision screening devices	\$11,500	\$0
31	Replace flooring	10,000	0

1	Replace south wing air conditioning	40,000	0
2	Repair sidewalk, roof, and parking lot	24,000	0
3	Replace doors and key system	45,000	0
4	Heating, ventilation, and air conditioning upgrades	86,000	0
5	Install LED lighting	33,000	0
6	South wing electrical service	165,000	0
7	Equipment	0	26,000
8	Repairs and maintenance	0	439,000
9	Total school for the blind - estimated income	\$414,500	\$465,000
10	Grand total - all funds	\$353,300,706	\$0
11	Grand total - estimated income	353,100,706	0
12	Grand total - general fund	\$200,000	\$0
13	Grand total - all funds	\$353,300,706	\$7,761,671
14	Grand total - estimated income	353,100,706	7,338,586
15	Grand total - general fund	\$200,000	\$423,085

16 The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for
 17 the 2025-27 biennium. The department of public instruction, state library, school for the deaf,
 18 and North Dakota vision services - school for the blind shall report to the appropriations
 19 committees of the sixty-ninth legislative assembly on the use of this one-time funding for the
 20 biennium beginning July 1, 2023, and ending June 30, 2025.

21 **SECTION 3. APPROPRIATION - TUITION APPORTIONMENT.** The sum of
 22 ~~\$433,020,000~~\$510,860,000, included in the integrated formula payments line item in
 23 subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any
 24 additional amount in the state tuition fund that becomes available for distribution to public
 25 schools is appropriated to the department of public instruction for that purpose for the biennium
 26 beginning July 1, 2023, and ending June 30, 2025.

27 **SECTION 4. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND.** The
 28 estimated income line item in subdivision 1 of section 1 of this Act includes the sum of
 29 \$143,454,500 from the foundation aid stabilization fund for integrated formula payments.

30 **SECTION 5. 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
2 contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational
3 services that were due in the 2021-23 biennium but which were not filed, claimed, or properly
4 supported by the education provider until after June 30, 2023. To be reimbursed under this
5 section, claims must be properly supported and filed with the superintendent of public
6 instruction by June 30, 2024.

7 **SECTION 6. GIFTED AND TALENTED PROGRAM.** The sum of \$800,000, included in the
8 integrated formula payments line item in subdivision 1 of section 1 of this Act, must be
9 distributed to reimburse school districts or special education units for gifted and talented
10 programs upon the submission of an application that is approved in accordance with guidelines
11 adopted by the superintendent of public instruction. The superintendent of public instruction
12 shall encourage cooperative efforts for gifted and talented programs among school districts and
13 special education units.

14 **SECTION 7. MEDICAID MATCHING FUNDING AND SCHOOL APPROVAL -**
15 **WITHHOLDING AND DISTRIBUTION.**

- 16 1. State school aid payments for special education must be reduced by the amount of
17 matching funds required to be paid by school districts or special education units for
18 students participating in the Medicaid program for the biennium beginning July 1,
19 2023, and ending June 30, 2025. Special education funds equal to the amount of the
20 matching funds required to be paid by the school district or special education unit must
21 be paid by the superintendent of public instruction to the department of health and
22 human services on behalf of the school district or unit.
- 23 2. State school aid payments for integrated formula payments must be reduced by the
24 amount of funds required to be paid by school districts for school approval for the
25 biennium beginning July 1, 2023, and ending June 30, 2025.

26 **SECTION 8. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.** The
27 integrated formula payments line item in subdivision 1 of section 1 of this Act includes
28 ~~\$500,000~~\$700,000 from the general fund for the purpose of providing annual grants to regional
29 education associations for the biennium beginning July 1, 2023, and ending June 30, 2025. An
30 annual grant of ~~\$35,714~~\$50,000 is provided to each regional education association that exists

1 as of July 1, 2023. Regional education associations that merge during the 2023-25 biennium
2 are entitled to the annual grants that would have been paid to each of the member associations.

3 **SECTION 9. PASSTHROUGH GRANTS - APPLICATION - DISTRIBUTION -**

4 **REPORTING.** The grants - passthrough grants line item in subdivision 1 of section 1 of this Act
5 includes \$2,229,764 for passthrough grants. The superintendent of public instruction shall
6 determine the manner in which each passthrough grant is distributed but no more than one-half
7 of the funding may be provided each year of the biennium. Annually grantees, as a condition of
8 receiving the grant, must establish performance measures to be reviewed by the superintendent
9 of public instruction. Grantees shall report annually to the superintendent of public instruction
10 regarding performance based on the measures. The superintendent may not distribute the grant
11 payment for the second year of the biennium until the grantee submits the annual report for the
12 first year of the biennium. The superintendent of public instruction shall report to the
13 appropriations committees of the sixty-ninth legislative assembly regarding funds granted,
14 performance measures established for each grantee, and whether grantees met performance
15 expectations.

16 **SECTION 10. USE OF NEW MONEY - NONADMINISTRATIVE PERSONNEL**

17 **COMPENSATION INCREASES.**

- 18 1. During the 2023-25 biennium, the board of each school district shall use an amount
19 equal to at least seventy percent of all new money received by the district, resulting
20 from increases in the base integrated formula payment rate, to increase the
21 compensation paid to nonadministrative personnel.
- 22 2. For purposes of this section, the superintendent of public instruction shall provide
23 guidance to school districts regarding the calculation of the amount of new money
24 resulting from increases in the base integrated formula payment rate during the
25 2023-25 biennium.

26 **SECTION 11. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL EDUCATIONAL
27 DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS.** Notwithstanding

28 section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in
29 its operating account. In addition, any moneys collected by the department of public instruction
30 for general educational development fees and displaced homemakers deposits must be

1 deposited in the public instruction fund in the state treasury. Any funds deposited in the public
2 instruction fund may only be spent subject to appropriation by the legislative assembly.

3 **SECTION 12. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER -**
4 **GENERAL FUND.** Notwithstanding section 54-44.1-11, if, after the superintendent of public
5 instruction complies with all statutory payment obligations imposed for the 2021-23 biennium,
6 from any moneys remaining in the integrated formula payments line item in subdivision 1 of
7 section 1 of chapter 13 of the 2021 Session Laws, the lesser of \$16,009,764 or the remaining
8 amount must be continued into the 2023-25 biennium and the office of management and budget
9 shall transfer this amount into the public instruction fund for the purpose of providing program
10 and passthrough grants as appropriated in subdivision 1 of section 1 of this Act. The
11 superintendent of public instruction shall transfer any these funds remaining unspent at the end
12 of the 2023-25 biennium to the general fund.

13 **SECTION 13. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
14 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
15 the biennium beginning July 1, 2023, and ending June 30, 2025:

- 16 1. Any funds remaining from federal funds derived from the elementary and secondary
17 school emergency education relief fund and any other federal funds appropriated in
18 subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
- 19 2. Any funds remaining from federal funds appropriated in subsection 2 of section 6 of
20 chapter 15 of the 2021 Session Laws, as amended in section 1 of chapter 548 of the
21 2021 Special Session Session Laws.

22 **SECTION 14. STATE AID TO PUBLIC LIBRARIES.** The grants line item in subdivision 2 of
23 section 1 of this Act includes \$1,737,582 for aid to public libraries, of which no more than
24 one-half may be expended during the fiscal year ending June 30, 2024.

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

27 **15.1-02-02. Salary.**

28 The annual salary of the superintendent of public instruction is one hundred ~~twenty-seven~~
29 ~~thousand seven hundred sixty-eight~~ thirty-five thousand five hundred thirty-six dollars through
30 June 30, ~~2022~~ 2024, and one hundred ~~thirty thousand three hundred twenty-three~~ forty thousand
31 nine hundred fifty-seven dollars thereafter.

1 **SECTION 16. AMENDMENT.** Section 54-24.3-01 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-24.3-01. Definitions.**

4 In this chapter, unless the context otherwise requires:

- 5 1. "Academic library" means a library that is part of a college or university that is publicly
6 or privately funded and whose primary role is to provide resources to enrich and
7 support the school's curricula and the research needs of students and faculty.
- 8 2. "Library resource center" means a central service unit, whose location is to be agreed
9 upon by members of the regional library cooperative and which is responsible for
10 extending special services to support members of the regional library cooperative,
11 while meeting all cooperative standards.
- 12 3. "Multitype library authority" means a geographic subdivision within which multitype
13 libraries are organized for the purpose of providing library and information services
14 through cooperation and mutual support.
- 15 4. "Participant library" means any library agreeing to join a regional library cooperative.
- 16 5. "Public library" means a library that is supported with funds derived from taxation and
17 which maintains a balanced collection of materials to serve the lifelong information,
18 reading, and recreational needs of the general population. For purposes of this
19 chapter, "public library" includes tribal libraries.
- 20 6. "Regional library cooperative" means an organization of one or more types of library
21 organized under Article VI of section 54-24.1-01, or a multitype library authority.
- 22 7. "School library media center" means a learning center operated as part of a publicly or
23 privately supported school or school district and whose role is to provide instruction,
24 cooperatively design learning strategies, and provide resources that support and
25 enrich the curriculum, following the North Dakota school library media guidelines.
- 26 8. "Special library" means a public or private sector library whose collection is specialized
27 and limited in scope and size and whose role is to provide information to a limited
28 clientele.