

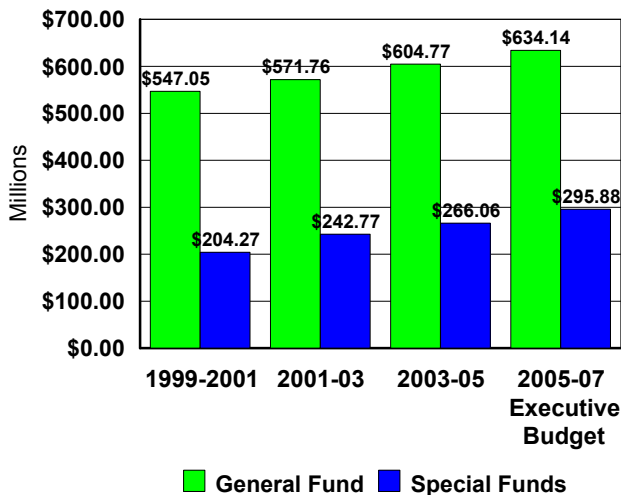
**Department 201 - Department of Public Instruction
 House Bill No. 1013**

	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	92.75	\$634,144,940	\$295,876,672	\$930,021,612
2003-05 Legislative Appropriations	92.75 ¹	604,765,006	266,058,803	870,823,809 ²
Increase (Decrease)	0.00	\$29,379,934	\$29,817,869	\$59,197,803

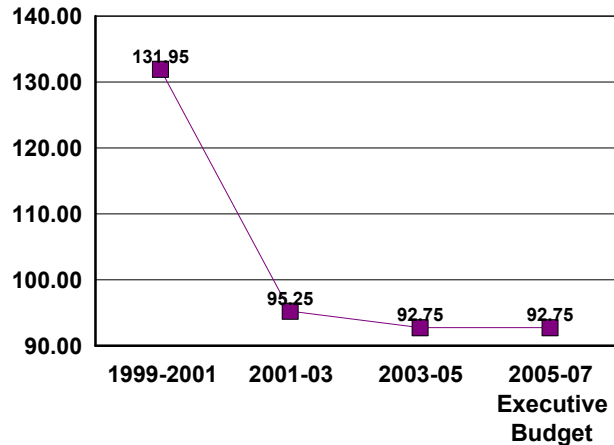
¹The number of FTE positions for the 2003-05 biennium has been adjusted to reflect the reduction and transfer of .5 of an FTE position relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, application server, and hosting services from the Department of Public Instruction to the Information Technology Department as of November 1, 2003, provided for in Section 10 of House Bill No. 1505.

²The 2003-05 appropriation amounts include \$40,000 appropriated from the general fund to the Education Standards and Practices Board for the purpose of procuring federal matching grants to provide for the national certification of teachers. The 2003-05 appropriation amounts do not include \$105,000 of general fund carryover from the 2001-03 biennium.

Agency Funding



FTE Positions



First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
 (With First House Changes Noted)**

	General Fund	Other Funds	Total
Salaries and wages			
1. Includes funding to continue 2003-05 salary levels	(\$84,232)	\$260,581	\$176,349
2. Includes the statutory changes necessary to increase the Superintendent's salary as follows:			
<u>Annual Salary Authorized by the 2003 Legislative Assembly</u> July 2003-June 2005 - \$77,434			
<u>Proposed Annual Salary Recommended in the 2005-07 Executive Budget</u> July 2005-June 2006 - \$80,531 July 2006-June 2007 - \$83,752			

The Senate reduced funding for state employee salary increases to 3 percent, effective July 1, 2005, and 4 percent, effective July 1, 2006, including the recommended salary increase for the Superintendent.

Proposed Annual Salary in the 2005-07 House Version

July 2005-June 2006 - \$79,757

July 2006-June 2007 - \$82,947

Operating expenses

3. Increases operating expenses for ConnectND charges		\$167,747	\$167,747
4. Decreases operating expenses to reflect savings associated with information technology functional consolidation required by House Bill No. 1505 (2003)		(\$38,562)	(\$38,562)
5. Removes funding provided in the 2003-05 biennium for the data envelopment analysis project	(\$50,000)		(\$50,000)
6. Adjusts the funding source for expansion of the summer school monitoring program	\$52,775	(\$52,725)	\$50
7. Increases funding for a special education information technology project		\$700,000	\$700,000
8. Increases funding for information technology data processing relating to child nutrition and food distribution		\$10,250	\$10,250
9. Increases funding for information technology software and supplies relating to education improvement information		\$995,000	\$995,000

Capital assets

10. Removes funding provided in the 2003-05 biennium for capital assets		(\$15,000)	(\$15,000)
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Grants

11. Increases funding for state school aid , including payment for limited English proficient students and transportation aid, by \$22,773,769, from the 2003-05 legislative appropriation of \$489,379,990 to \$512,153,759. The House decreased funding for state school aid by \$1,300,000 from the general fund from \$512,153,759 to \$510,853,759.	\$22,773,769		\$22,773,769
12. Decreases funding for teacher compensation payments by \$941,880, from the 2003-05 legislative appropriation of \$51,854,000 to \$50,912,120, to properly reflect the level of funding needed to fund the current teachers at the current level of compensation payments	(\$941,880)		(\$941,880)
13. Increases funding for special education grants by \$2,601,305, from the 2003-05 legislative appropriation of \$49,898,695 to \$52,500,000	\$2,601,305		\$2,601,305
14. Increases funding for revenue supplemental payments by \$2,500,000, from the 2003-05 legislative appropriation of \$5,000,000 to \$7,500,000. The House removed the increase in funding of \$2,500,000 from the general fund provided in the executive budget recommendation for revenue supplemental payments.	\$2,500,000		\$2,500,000
15. Increases funding for tuition apportionment payments by \$2,104,629, from \$69,495,371 to \$71,600,000		\$2,104,629	\$2,104,629
16. Includes funding of \$500,000 for reorganization bonus payments, the same level of funding provided for the 2003-05 biennium. The House removed the funding of \$500,000 from the general fund for reorganization bonus payments.			
17. Provides funding of \$2 million for providing incentives to districts participating in joint powers agreements that increase educational opportunities for students. The House removed the funding of \$2 million from the general fund for joint powers agreement incentives.	\$2,000,000		\$2,000,000
18. Increases funding for the North Dakota LEAD Center by \$21,500, from \$215,000 to \$236,500. The House removed the increase in funding of \$21,500 from the general fund provided in the executive budget recommendation.	\$21,500		\$21,500

19. Increases funding for the North Dakota Museum of Art by \$125,000, from \$125,000 to \$250,000, for the museum's educational outreach initiative. The House removed the increase in funding of \$125,000 from the general fund provided in the executive budget recommendation.	\$125,000	\$125,000
20. Increases funding for the North Dakota Governor's School by \$45,000, from \$225,000 to \$270,000, for creation of a school for the arts. The House reduced funding for the North Dakota Governor's School by \$20,000 from the general fund.	\$45,000	\$45,000
21. Increases funding for the Red River Valley Writing Project by \$20,000, from \$20,000 to \$40,000. The House removed the increase in funding of \$20,000 from the general fund provided in the executive budget recommendation.	\$20,000	\$20,000
22. Increases funding for the Northern Plains Writing Project by \$20,000, from \$28,000 to \$48,000. The House removed the increase in funding of \$20,000 from the general fund provided in the executive budget recommendation.	\$20,000	\$20,000
23. Increases federal funding for other grants by \$25.3 million from \$179.2 million to \$204.5 million, including:		
Title I basic grants	\$9,834,306	\$9,834,306
School health programs	\$915,796	\$915,796
Title V innovative programs	\$1,757,228	\$1,757,228
School renovation, IDEA, and technology	(\$790,602)	(\$790,602)
Title II teacher and principal training and recruiting	\$3,820,642	\$3,820,642
Special education - IDEA Part B and state improvement	\$4,140,711	\$4,140,711
21st century community learning centers	\$4,565,313	\$4,565,313
Reading First	\$924,294	\$924,294
Other	\$106,151	\$106,151
Total	<u>\$25,273,839</u>	<u>\$25,273,839</u>

Major Related Legislation

House Bill No. 1013 - Distribution of special education aid - Section 7 of Engrossed House Bill No. 1013 provides legislative intent that the special education appropriation be distributed as follows:

1. \$15,500,000 to reimburse school districts or special education units for excess costs incurred relating to contracts for students with disabilities (\$2,500,000 more than the amount appropriated for the 2003-05 biennium).
2. \$400,000 to reimburse school districts or special education units for gifted and talented programs (no change from the amount appropriated for the 2003-05 biennium).
3. \$36,600,000 to distribute on a per student basis pursuant to North Dakota Century Code (NDCC) Section 15.1-27-10 (\$101,305 more than the amount appropriated for the 2003-05 biennium).

House Bill No. 1013 - Payments for limited English proficient students - Section 8 of Engrossed House Bill No. 1013 provides that \$650,000 of the amount appropriated for state school aid is for payments to school districts educating limited English proficient students as provided in NDCC Section 15.1-27-12.

House Bill No. 1032 - Supplemental payments - This bill removes unrestricted federal revenue from the supplemental payment formula.

House Bill No. 1038 - Advisory commission on the No Child Left Behind Act - This bill creates a 13-member advisory commission on the No Child Left Behind Act and continues the interim No Child Left Behind Committee through the 2005-06 interim.

House Bill No. 1154 - Per student payments - This bill increases per student state school aid payments from \$2,623 in 2004-05 to \$2,813 in 2005-06 and \$2,912 in 2006-07.

House Bill No. 1154 - Weighting factors - This bill consolidates the school district size categories and increases the weighting factors so no factor is set below 1.0.

House Bill No. 1154 - Teacher compensation - This bill continues the current level of teacher compensation payments of \$1,000 for first-year teachers and \$3,000 for second-year teachers and provides that each school district shall use an amount equal to at least 70 percent of all new money received for per student payments and tuition apportionment for the purpose of increasing the compensation paid to teachers.

House Bill No. 1154 - Minimum teacher salary - This bill increases the minimum teacher salary from \$21,500 in 2004-05 to \$22,000 in 2005-06 and \$22,500 in 2006-07.

House Bill No. 1154 - Transportation efficiency training - Section 10 of Engrossed House Bill No. 1154 provides the department a \$30,000 general fund appropriation for contracting to provide transportation efficiency training to school district personnel.

House Bill No. 1154 - Contingent state school aid distributions - This bill provides that any state school aid funds remaining unspent at the end of the 2003-05 biennium will be distributed as follows:

1. The first \$600,000 for the purpose of providing reorganization bonuses pursuant to NDCC Section 15.1-12-11.1 and reorganization bonus advanced payments pursuant to NDCC Section 15.1-12-11.2.
2. The next \$300,000 to provide additional payments to school districts serving English language learners.
3. The next \$2,000,000 to provide joint powers agreement incentives as outlined in Senate Bill No. 2168.
4. Any remaining amount as additional per student payments.

House Bill No. 1311 - State aid - This bill provides a \$119,917 general fund appropriation to the department for reimbursing eligible school districts that received reduced amounts of state aid during the second year of the 2003-05 biennium because the district's general fund levy fell below 140 mills as the result of a reorganization or the dissolution of a contiguous district.

House Bill No. 1434 - No Child Left Behind accountability plan - This bill provides that the Superintendent of Public Instruction shall provide the Legislative Council a written notice of a proposed amendment to the state accountability plan required under the No Child Left Behind Act.

House Bill No. 1488 - Study of the state's elementary and secondary education system - This bill provides that the Legislative Council shall create an education congress to receive input from teachers, administrators, parents, students, local business and community leaders, representatives of higher education, representatives of the executive branch, and representatives of technology curricular to review the state's elementary and secondary education system, evaluate the effectiveness of existing programs, identify methods to increase student achievement, and prioritize the state's primary needs and goals for elementary and secondary education.

House Bill No. 1512 - Education funding - This bill increases sales, motor vehicle excise, financial institutions privilege, individual income, and corporate income taxes. The additional revenue is to be deposited in an education tax equity fund for distribution to school districts.

Senate Bill No. 2168 - Joint powers agreements - This bill provides a \$2 million general fund appropriation to the Superintendent of Public Instruction for providing funding to eligible educational associations.

Senate Bill No. 2404 - Study of education funding - This bill directs a Legislative Council study of enhanced funding for elementary and secondary education and methods by which the state's reliance on property taxes to fund elementary and secondary education could be reduced.