

**Department of Public Instruction  
Budget No. 201  
House Bill Nos. 1013, 1015, 1400, Senate Bill Nos. 2199, 2212**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2009-11 executive budget (bills as introduced)	99.75	\$820,302,441	\$359,805,146	\$1,180,107,587
<b>2009-11 legislative appropriations</b>	<b>99.75</b>	<b>1,109,405,590</b>	<b>513,621,154</b>	<b>1,623,026,744</b>
Legislative increase (decrease) to executive budget	0.00	\$289,103,149	\$153,816,008	\$442,919,157
Legislative increase (decrease) to 2007-09 appropriations	5.00	\$393,934,393	\$187,842,681 <sup>1</sup>	\$581,777,074

<sup>1</sup>This amount reflects a 2007-09 appropriation of \$20 million of additional federal funds to the Department of Public Instruction for providing grants to school districts authorized in Section 8 of House Bill No. 1013.

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	<b>Ongoing General Fund Appropriation</b>	<b>One-Time General Fund Appropriation</b>	<b>Total General Fund Appropriation</b>
2007-09 legislative appropriations	\$710,471,197	\$5,000,000	\$715,471,197
<b>2009-11 legislative appropriations</b>	<b>1,108,654,590</b>	<b>751,000</b>	<b>1,109,405,590</b>
2009-11 legislative increase (decrease) to 2007-09 appropriations	\$398,183,393	(\$4,249,000)	\$393,934,393
Percentage increase (decrease) to 2007-09 appropriations	56.0%	(85.0%)	55.1%
2009-11 legislative increase (decrease) to executive budget	\$288,977,149	\$126,000	\$289,103,149
Percentage increase (decrease) to executive budget	35.3%	20.2%	35.2%

**SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The legislative action affecting the recommended appropriation for the Department of Public Instruction is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

	<b>Major Items FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		(\$104,123)	(\$242,956)	(\$347,079)
Removed funding from state school aid added in the executive budget for a prekindergarten program during the second year of the biennium		(3,500,000)		(3,500,000)
Increased funding for other grants as follows:		1,523,000		1,523,000

	<b>General Fund Increase</b>	<b>Total General Fund</b>
North Central Council for School Television	\$395,000	\$445,000
Governor's School	45,000	410,000
Atlantik-Brucke teacher exchange program	75,000	75,000
Teacher center network	50,000	360,000
Northern Plains Writing Project	25,000	83,000
Red River Valley Writing Project	20,000	70,000
North Dakota young entrepreneur education program	100,000	100,000
"We the People" program	18,000	18,000
Adult education grants	795,000	1,850,000
<b>Total general fund</b>	<b>\$1,523,000</b>	<b>\$3,411,000</b>

Increased <b>one-time funding</b> for other grants to the North Dakota Geographic Alliance	101,000		101,000
Adjusted the funding source for state school aid to reflect additional funding available in the state tuition fund	(800,000)	800,000	
Adjusted the funding source for other grants to correct a budgeting error in the executive recommendation	137,883	(137,883)	
Increased funding from the general fund and decreased funding from federal funds for the school health director position to provide that 20 percent of the funding is from the general fund	12,889	(12,889)	
Increased funding for operating expenses to provide funding for a North Dakota teacher of the year program	14,000		14,000
Increased state school aid funding for the gifted and talented program to provide a total of \$800,000	400,000		400,000
Increased funding for national board certification to provide a total of \$102,500	7,500		7,500
Increased funding for operating expenses for the North Dakota Indian Education Advisory Council	66,000		66,000
Adjusted the funding source for the Early Childhood Learning Council to provide funding from federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009	(20,000)	20,000	

Decreased state school aid due to reducing and delaying the "at-risk" factor change in the state school aid formula until the 2011-13 biennium	(11,000,000)		(11,000,000)
Increased state school aid to provide for state school aid formula changes contained in House Bill No. 1400	1,790,000		1,790,000
Increased state school aid to provide for changes regarding residential facility summer programs	350,000		350,000
Increased funding for transportation payments	5,000,000		5,000,000
Reduced state school aid in the first year of the biennium	(16,795,584)		(16,795,584)
Added funding for supplemental operating grants in accordance with provisions of House Bill No. 1400	16,795,584		16,795,584
Changed the funding source for state school aid to provide for fiscal stabilization funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009	(85,644,337)	85,644,337	
Added funding for one-time supplemental grants in accordance with provisions of House Bill No. 1400	85,644,337		85,644,337
Appropriated federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009 (see <b>Federal Fiscal Stimulus Funding</b> section below for various education programs)		67,379,051	67,379,051
Appropriated federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 for administrative costs relating to federal stimulus payments to schools, including salaries (\$152,533) and operating expenses (\$173,815)		326,348	326,348
Removed funding for instructional coaching pilot programs added in the executive budget	(500,000)		(500,000)
Added funding for a national board certification fund (House Bill No. 1400)	500,000		500,000
Added funding for continuing education grants (House Bill No. 1400)	100,000		100,000
Added funding for the development of a personal finance schoolbook (House Bill No. 1015)	25,000		25,000

Added funding for mill levy reduction grants to school districts (Senate Bill No. 2199) (see <b>Mill Levy Reduction Grants</b> section below)	295,000,000	295,000,000
Added funding from federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to provide funding for an English language learner grant to a regional education association (Senate Bill No. 2212)	40,000	40,000
Total	<u>0.00</u>	<u>\$289,103,149</u>
	<u>\$153,816,008</u>	<u>\$442,919,157</u>

#### FTE Changes

The 2009-11 biennium appropriation includes funding for 99.75 FTE positions, an increase of 5 FTE positions from the 2007-09 biennium authorized level of 94.75 FTE positions and the same as the executive budget recommendation. The Legislative Assembly did not change the executive recommendation to add 1 FTE administrative assistant III position in the Early Reading First program, 1 FTE assistant director position in the standards and achievement unit, 1 FTE assistant director position to monitor the expansion of counseling support and the role of career advisors, and 2 FTE positions (1 FTE assistant director position and 1 FTE administrative assistant II position) in the school approval and accreditation unit.

#### One-Time Funding

In Section 2 of House Bill No. 1013, the Legislative Assembly identified \$726,000 from the general fund as one-time funding, of which \$500,000 is for programming changes to the department's state automated reporting system (STARS) application used to gather school district information and \$226,000 is for a grant to the North Dakota Geographic Alliance for matching funds available from the National Geographic Society.

In Section 33 of House Bill No. 1015, the Legislative Assembly appropriated \$25,000 from the general fund to the Department of Public Instruction for the development and customization of a North Dakota personal finance schoolbook. This funding is considered to be one-time funding.

These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Department of Public Instruction is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

#### Federal Fiscal Stimulus Funding

The Legislative Assembly appropriated \$153,409,736 of federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009 to the Department of Public Instruction. Federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009 were appropriated as follows:

Title I - Part A	\$27,415,262
Title I - School improvement	7,145,000
Title II - Part D - Technology	3,209,375
Individuals With Disabilities Education Act	27,413,988
McKinney-Vento Homeless Assistance Act	150,000
National school lunch program	230,000
The emergency food assistance program	85,426
Clean diesel (funds from the State Department of Health)	<u>1,730,000</u>
Subtotal	\$67,379,051
State aid grants	<u>85,644,337</u>
Total federal funds	<u>\$153,023,388</u>

In addition, federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 were appropriated as follows:

Department of Public Instruction administrative costs relating to federal fiscal stimulus payments to schools, including salaries (\$152,533) and operating expenses (\$173,815)	\$326,348
Early Childhood Learning Council operating expenses	20,000
Funding for an English language learner grant to a regional education association (Senate Bill No. 2212)	40,000
	\$386,348
Total federal funds (from Governor's office)	

The Department of Public Instruction may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

**State School Aid - Per Student Payments, Transportation Aid, Special Education Contracts, Supplemental Operations Grants, Supplemental One-Time Grants, and Mill Levy Reduction Grants**

The Legislative Assembly appropriated \$1,264,810,216, of which \$1,092,865,879 is from the general fund, \$85,644,337 is from federal funds, and \$86,300,000 is from the state tuition fund, for state school aid, including per student payments, transportation aid, special education, grants for operations, one-time expenditures, and mill levy reduction grants. This level of funding represents an increase of \$484 million, of which \$388.3 million is from the general fund, \$85.6 million is from federal funds, and \$10.1 million is from the state tuition fund, from the 2007-09 legislative appropriation of \$780,765,879. (See the schedules following this section for a comparison of state school aid and other grants for the 2007-09 and 2009-11 bienniums.)

**Per Student Formula Payments**

The Legislative Assembly provided an appropriation of \$808,370,295, of which \$722,070,295 is from the general fund and \$86,300,000 is from the state tuition fund, for state school aid for per student formula payments. This level of funding represents an increase of \$82.2 million, of which \$72.1 million is from the general fund and \$10.1 million is from the state tuition fund, from the 2007-09 biennium appropriation of \$726,165,879. The executive budget recommendation for the 2009-11 biennium included funding of \$11 million for the implementation of an "at-risk" factor for state school aid per student formula payments and, beginning with the 2010-11 school year, \$3.5 million for preschool programs for four year olds. The Legislative Assembly removed funding for these programs. The Legislative Assembly did not change the executive budget recommendation for the 2009-11 biennium regarding funding of \$1 million for required assessments and, beginning in the second year of the biennium, \$3.68 million for one additional contact day on the school calendar, \$3.78 million for student performance strategists, and \$2.7 million for career advisors.

**Transportation Aid**

The executive budget recommendation for the 2009-11 biennium included funding of \$38.5 million from the general fund for transportation aid. The Legislative Assembly increased the funding by \$5 million to provide \$43.5 million from the general fund for transportation aid, \$10 million more than the 2007-09 biennium. In addition, the Legislative Assembly provided a \$5 million appropriation from the general fund for supplemental transportation aid payments contingent on the Office of Management and Budget projecting during the 2009-11 biennium that the June 30, 2011, ending balance of the state general fund will be at least \$30 million more than estimated by the 2009 Legislative Assembly.

Section 54 of House Bill No. 1400 provides that the Department of Public Instruction is to distribute transportation aid for the 2009-11 biennium based on the state transportation formula as it existed on June 30, 2001, except that the department is to provide reimbursement at the rate of:

- Ninety-two cents per mile for schoolbuses having a capacity of 10 or more passengers.
- Forty-four cents per mile for vehicles having a capacity of nine or fewer passengers.
- Twenty-four cents per student for each one-way trip.

Section 54 of House Bill No. 1400 also provides that if any funds appropriated for transportation aid for the 2009-11 biennium remain unspent after all statutory obligations are met, the Department of Public Instruction is to prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

#### **Special Education Contracts**

The Legislative Assembly did not change the executive budget recommendation to provide a general fund appropriation of \$15.5 million for special education contracts. The 2009-11 biennium appropriation is \$2 million less than the 2007-09 biennium appropriation of \$17.5 million.

#### **Supplemental Operations Grants**

The Legislative Assembly provided \$16,795,584 from the general fund for supplemental operations grants to be awarded, on or before September 1, 2009, on a prorated basis, according to the latest available average daily membership of each school district.

#### **Supplemental One-Time Grants**

The Legislative Assembly provided for the distribution of supplemental one-time grants to school districts totaling \$85,644,337 from the general fund. The grants may only be used for improvements, additions, equipment, textbooks, Title I expenditures, or professional development, and the school districts must report to the Department of Public Instruction regarding the use of the funds. The Department of Public Instruction is required to compile the information and report to the Legislative Council.

#### **Mill Levy Reduction Grants**

The Legislative Assembly, in Senate Bill No. 2199, provided property tax relief by appropriating \$295 million from the general fund to the Department of Public Instruction for allocation to school districts to reduce school district property taxes for the 2009-11 biennium. The funding provides for a reduction of up to 75 mills in school district property tax levies and replacement of the revenue to school districts providing mill levy reduction grants. In addition, Senate Bill No. 2199:

- Eliminates authority for unlimited levy approval for school districts.
- Establishes a deadline of 2015 for school districts with existing voter-approved excess levies or unlimited levies to obtain voter approval for continuation of a levy of up to a specific number of mills.
- Provides if voter approval is not obtained by 2015, the school district levy limitation will be subject to statutory provisions allowing a levy based on the number of dollars levied by the school district in the highest of the most recent three years or the 185-mill general fund levy limitation.

The Legislative Assembly also provided for a transfer of \$295 million in 2010 from the permanent oil tax trust fund to the newly created property tax relief sustainability fund to be used for property tax relief allocations after the 2009-11 biennium as determined by the Legislative Assembly.

#### **Regional Education Association Incentives**

The executive budget recommendation for the 2009-11 biennium included funding of \$3 million for regional education associations. The Legislative Assembly provided that \$2.6 million of the funding be distributed through a factor in the formula and \$400,000 be distributed through grants. In addition, the Legislative Assembly provided that if an adequate amount of funds appropriated for state school aid payments for the 2007-09 biennium remain unspent after all statutory obligations are met, the department is to use \$2 million for providing additional per student payments to school districts participating in regional education associations (see **2007-09 Contingent Distributions - State School Aid** section below for additional information).

#### **School District Planning Grants**

Section 55 of House Bill No. 1400 provides that the Department of Public Instruction may use \$100,000 of the 2009-11 legislative appropriation for state school aid for providing planning grants to school districts participating in reorganizations under North Dakota Century Code (NDCC) Chapter 15.1-12. A grant provided may not exceed \$25,000 and may not be awarded unless the student enrollment of the participating districts exceeds 360. If a grant is provided and the recipient districts vote not to reorganize, the department is to withhold the grant amount that each district received from any state aid payable to the district.

### **Teacher Compensation Increases**

Section 51 of House Bill No. 1400 provides that during the 2009-11 biennium the board of each school district is to use an amount equal to at least 70 percent of all new money received by the district for per student payments and supplemental operations grants to increase the compensation paid to teachers, counselors, and career advisors and to provide compensation to teachers, counselors, and career advisors who begin employment with the district on or after July 1, 2009. Money available to districts as a result of federal action to stimulate the economy or address state fiscal recovery is not considered to be "new money" unless it is distributed through the state school aid formula.

### **School District Deferred Maintenance and Physical Plant Improvement Grants**

The executive budget recommendation for the 2009-11 biennium included a \$10 million general fund appropriation to the Department of Public Instruction for school districts deferred maintenance and physical plant improvement grants contingent upon the Office of Management and Budget projecting the June 30, 2011, ending general fund balance to be \$30 million more than projected by the Office of Management and Budget at the end of the 2009 legislative session. The Legislative Assembly removed this contingent appropriation.

### **2007-09 Contingent Distributions - State School Aid**

Section 55 of Senate Bill No. 2200 (2007) as amended by Section 58 of House Bill No. 1400 (2009) provides that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds remaining from the 2007-09 special education contracts appropriation prior to determining the remaining state school aid funds. The section provides that if any funds appropriated for state school aid payments for the 2007-09 biennium or added to the grants - state school aid line item remain unspent after all statutory obligations are met, the Department of Public Instruction is to distribute the remaining funds as follows:

1. The first \$1 million for any state obligations in excess of the amount appropriated for special education contract charges.
2. The next \$2 million for providing additional per student payments to school districts participating in regional education associations under NDCC Chapter 15.1-09.1.
3. The next \$550,000 for providing additional payments to school districts serving English language learners and new immigrant English language learners in accordance with NDCC Chapter 15.1-38.
4. The next \$200,000 for providing additional payments to school districts offering an adult education program during the 2007-09 biennium.
5. Any remaining amounts as additional per student payments on a prorated basis according to the latest average daily membership of each school district.

### **2009-11 Contingent Distributions - State School Aid**

Section 59 of House Bill No. 1400 (2009) provides that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds from the 2009-11 special education contracts appropriation and if any amounts appropriated for state school aid payments remain unspent at the end of the 2009-11 biennium, that the Department of Public Instruction use the funds to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

### **Contingent Transfer for Special Education**

Section 60 of House Bill No. 1400 (2009) provides that if the Superintendent of Public Instruction determines there are insufficient funds to fully reimburse school districts for the excess costs of serving the 1 percent of special education students statewide who require the greatest school district expenditures, the Industrial Commission shall transfer the amount necessary from the Bank of North Dakota. The Superintendent is to request a deficiency appropriation from the 62<sup>nd</sup> Legislative Assembly to return any amount transferred under these provisions to the Bank of North Dakota.

### **Other Sections in House Bill No. 1013**

**2007-09 appropriation** - Section 8 appropriates \$20 million of additional federal funds to the Department of Public Instruction for providing grants to school districts during the 2007-09 biennium.

**Tuition apportionment** - Section 9 provides that any money available in the state tuition fund in excess of the \$86.3 million appropriated in Section 1 of the bill is appropriated to the Department of Public Instruction for distribution to school districts.

**Payments for 2007-09 biennium educational services** - Section 10 provides that the Department of Public Instruction may use money appropriated for state school aid and special education contracts for the 2009-11 biennium to pay claims due during the 2007-09 biennium but not filed with the department until the 2009-11 biennium.

**Distribution of special education aid** - Section 11 provides that the Department of Public Instruction use \$800,000 of the 2009-11 legislative appropriation for state school aid for reimbursing school districts or special education units for gifted and talented programs. The department is to encourage cooperative efforts for gifted and talented programs among school districts and special education units. State school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the Medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the Department of Public Instruction to the Department of Human Services on behalf of the school district or unit.

**Teacher of the year program** - Section 12 requires the Department of Public Instruction to administer a teacher of the year program for the 2009-11 biennium. The department is to assign responsibility to its staff to coordinate the annual event, including preparation of application materials, distribution of materials to the selection committee, publicity, and planning of the event at which the recipient of the award is announced. The selection committee appointed by the Department of Public Instruction may not include more than one representative from any education-related organization or association.

**Indirect cost allocation** - Section 13 provides that, notwithstanding NDCC Section 54-44.1-15, the Department of Public Instruction may deposit indirect cost recoveries in its operating account. Section 54-44.1-15 otherwise provides that indirect cost recoveries be deposited in the general fund.

**Contingent appropriation - Supplemental transportation aid payments** - Section 16 provides a \$5 million appropriation from the general fund for supplemental transportation aid payments contingent on the Office of Management and Budget projecting during the 2009-11 biennium that the June 30, 2011, ending balance of the state general fund will be \$30 million more than estimated by the 2009 Legislative Assembly.

**Superintendent's annual salary** - Section 18 provides statutory changes relating to the Superintendent of Public Instruction's annual salary. The Superintendent's salary is increased from \$90,587 to \$95,116 on July 1, 2009, and \$99,872 on July 1, 2010.

**Residential facility summer programs** - Section 19 provides statutory changes to NDCC Section 15.1-29-14(6) regarding "actual costs" of residential facility summer programs.

#### **Related Legislation**

**Personal finance schoolbook** - Section 33 of House Bill No. 1015 provides an appropriation of \$25,000 from the general fund to the Department of Public Instruction for the development and customization of a North Dakota personal finance schoolbook.

**Interstate Compact on Educational Opportunity for Military Children** - House Bill No. 1309 provides for a Legislative Council study of the Interstate Compact on Educational Opportunity for Military Children.

**American Indian bilingual education** - House Bill No. 1399 provides for a Legislative Council study of American Indian bilingual education.

**State school aid payments, career development, school calendar, school counselors, career advisors, student performance strategists, professional development, high school graduation requirements, scholarships, assessments, North Dakota Early Childhood Education Council, teacher support system program, national board certification fund, continuing education grants, transportation grants, school district reorganization planning grants, contingent money, and special education contingent transfer** - House Bill No. 1400:

- Appropriates \$2.3 million from the general fund for a grant to the Education Standards and Practices Board for a **teacher support system program**.
- Appropriates \$500,000 from the general fund for the creation of a **national board certification fund**.
- Appropriates \$100,000 from the general fund for **continuing education grants**.



- Provides the Department of Career and Technical Education develop a **career development facilitation program**.
- Increases the number of days in the **school calendar** for the 2010-11 and 2011-12 school years.
- Requires school districts to have available 1 FTE **counselor** for every 300 students in grades 7 through 12, beginning with the 2010-11 school year, and provides up to one-third of these positions may be filled by career advisors.
- Identifies the **duties of a career advisor**.
- Requires that beginning with the 2010-11 school year, each school district must have 1 FTE **student performance strategist** for every 400 students in kindergarten through grade 3.
- Requires each school district to use **PowerSchool** as its principal student information system.
- Requires the Department of Public Instruction appoint a **professional development advisory committee** and review each school district's professional development plan to ensure that it is effective and efficient.
- Provides for a **career and technical education scholarship** and an **academic scholarship** and requires each school district to make available subjects required for the scholarships.
- Increases **high school graduation requirements** and provides an optional high school curriculum.
- Provides payment for certain **summer programs**.
- Requires school districts administer an **interim assessment** annually and a **career interest inventory** to students once in the 7<sup>th</sup> grade or 8<sup>th</sup> grade and again in the 9<sup>th</sup> grade or 10<sup>th</sup> grade.
- Requires a **summative assessment** (the American College Test or three WorkKeys assessment) for all but certain students and allows students pursuing their general educational development diploma to also complete a summative assessment.
- Provides a **per student payment** of \$3,200 for the 2009-10 school year and \$3,779 for the 2010-11 school year; adjusts the weighting factor for special education services; and provides additional weighting factors for varying levels of proficiency for English language learners, for students enrolled in a school district participating in a regional education association, and for technology.
- Includes a **minimum payment provision** that entitles each school district to receive, during the 2009-10 school year, at least 108 percent of the baseline funding per weighted student unit. For the following school years, the minimum entitlement must be equal to at least 112.5 percent of the baseline funding per weighted student unit.
- Includes a **maximum payment provision** that, excluding equity payments, caps a school district's state aid payment for the 2009-10 school year at 120 percent of the baseline funding per weighted student unit. For the following school years, the payment per weighted student unit may not exceed 134 percent of the baseline funding per weighted student unit.
- Requires the determination of **imputed taxable valuation** include revenue derived from mobile home taxes, telecommunications taxes, payments in lieu of property taxes on the distribution and transmission of electric power from sources other than coal, and from United States flood control funds.
- Provides for the continuation of **equity payments** for a period of two years to a reorganized or dissolved district.
- Provides that United States flood control funds, American Recovery and Reinvestment Act of 2009 funds, and supplemental one-time grants may not be used in determining a district's **unobligated ending fund balance**. The provision expires June 30, 2011.
- Provides authorization for the continuation of the **North Dakota Commission on Education Improvement**. The Department of Public Instruction may use up to \$40,000 of the 2009-11 legislative appropriation for state school aid for expense reimbursement for members of the commission.
- Changes the definition of excess costs for purposes of **special education contracts** from those that are four and one-half times the state average cost of education per student to those that are four times the state average.
- Increases the threshold for obtaining **construction approval**.
- Establishes an **Early Childhood Education Council**.
- Reduces the percentage by which certain school districts may increase their **general fund levies**, effective for taxable years beginning after December 31, 2008.
- Provides an appropriation for a **teacher support system grant program** to be administered by the Education Standards and Practices Board.
- Provides an appropriation to establish a **national board certification fund** to provide grants to applicants pursuing national board certification.
- Provides an appropriation for **continuing education grants**.
- Provides that the board of each school district is to use an amount equal to at least 70 percent of all new money received by the district for per student payments and supplemental operations grants to **increase the compensation** paid to teachers, counselors, and career advisors.

- Provides for the distribution of **supplemental one-time grants** that may only be used for improvements, additions, equipment, textbooks, Title I expenditures, or professional development, and the school districts must report to the department regarding the use of the funds. The Department of Public Instruction is required to compile the information and report to the Legislative Council.
- Provides for the distribution of **supplemental operations grants** to be awarded, on or before September 1, 2009, on a prorated basis according to the latest available average daily membership of each school district.
- Increases the state **transportation formula rates**.
- Provides the department may expend from the grants - state school aid line item up to \$100,000 for **planning grants** to school districts participating in reorganizations, up to \$400,000 for **grants to regional education associations**, and up to \$300,000 for a grant equaling the reduction in a district's 2007-09 state aid payments resulting from the receipt of **federal impact aid**.
- Provides for the distribution of any **unspent 2007-09 biennium appropriations** remaining for special education and state school aid and any **unspent 2009-11 biennium appropriations** remaining for special education and state school aid.
- Provides for a contingent transfer from the Bank of North Dakota for **special education**.
- Directs the Legislative Council to consider studying school approval and accreditation, weather-related school cancellations, and displacement of students resulting from natural or manmade disasters.
- Minimum **general fund levy requirements** are repealed.

**Mill levy reduction grants** - Senate Bill No. 2199:

- Provides property tax relief by appropriating \$295 million from the general fund for the 2009-11 biennium for allocation to school districts to reduce school district property taxes.
- Provides for a reduction of up to 75 mills in school district property tax levies and replacement of the revenue to school districts through mill levy reduction grants.
- Eliminates authority for unlimited levy approval for school districts.
- Establishes a deadline of 2015 for school districts with existing voter-approved excess levies or unlimited levies to obtain voter approval for continuation of a levy of up to a specific number of mills.
- Provides if voter approval is not obtained by 2015, the school district levy limitation will be subject to statutory provisions allowing a levy based on the number of dollars levied by the school district in the highest of the most recent three years or the 185-mill general fund levy limitation.
- Provides for transfer of \$295 million in 2010 from the permanent oil tax trust fund to the property tax relief sustainability fund to be used for property tax relief allocation after the 2009-11 biennium.

**English language learner grant** - Senate Bill No. 2212 appropriates \$40,000 from federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to the Department of Public Instruction to provide a grant to one regional education association in order that the association may acquire instructional materials for the enhancement of English language learner services and provide professional development opportunities relating to the provision of English language learner services. The association that receives the grant must agree to provide English language learner services to other regional education associations and school districts in the state.