

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2013

Page 1, line 2, after "library" insert "; to create and enact a new section to chapter 15-59 of the North Dakota Century Code, relating to a special education critical needs board"

Page 1, line 3, replace "section" with "sections" and after "15-21-02" insert "and 15-21-03"

Page 1, line 4, replace "section" with "sections" and after "15.1-02-02" insert "and 15.1-02-03"

Page 1, line 5, replace "; to repeal section 2 of Senate Bill No. 2381, as" with "and the appointment of a deputy superintendent; and to amend and reenact sections 15-59-06, 15-59-06.2, and 15-59-07 of the North Dakota Century Code, relating to special education."

Page 1, remove line 6

Page 1, line 17, replace "11,706,777" with "10,977,979"

Page 1, line 18, replace "10,107,032" with "9,709,720"

Page 1, line 19, replace "591,036" with "491,036"

Page 1, line 20, replace "481,006,259" with "479,006,259"

Page 1, line 23, replace "44,600,000" with "46,100,000"

Page 1, after line 23, insert:

"Grants - Special education critical needs board	500,000"
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Page 1, line 24, replace "132,695,566" with "143,318,663"

Page 2, line 4, replace "737,951,556" with "747,348,543"

Page 2, line 5, replace "199,247,247" with "204,206,898"

Page 2, line 6, replace "538,704,309" with "543,141,645"

Page 2, line 21, replace "136,327" with "36,327"

Page 2, line 22, replace "5,502,539" with "5,402,539"

Page 2, line 24, replace "4,845,170" with "4,745,170"

Page 3, line 1, replace "863,400" with "950,276"

Page 3, line 2, replace "2,328,405" with "2,241,529"

Page 3, line 3, replace "548,840,795" with "553,091,255"

Page 3, line 4, replace "202,361,835" with "207,408,362"

Page 3, line 5, replace "751,202,630" with "760,499,617"

Page 3, line 25, replace "Ten" with "Eleven" and remove "five hundred thousand"

Page 4, line 14, replace "\$1,000,000" with "\$6,000,000"

Page 4, line 20, after the period insert "Prior to the distribution of grants pursuant to this section, the educational telecommunications council may establish a minimum grant amount of \$5,000. A school district is not eligible to receive a grant under this section unless the administrative office of the district is connected to the internet."

Page 4, remove lines 21 through 25

Page 6, after line 15, insert:

**"SECTION 17. CREDENTIALING PROCESS FOR SPECIAL EDUCATION TEACHERS.** The superintendent of public instruction may not change the credentialing process for special education teachers as it is in effect on March 1, 1999, without first convening a meeting to include representatives of the North Dakota council of education leaders, the council of exceptional children, the North Dakota education association, and the North Dakota school boards association. The purpose of the meeting is to receive comments regarding the proposed changes, the applicability of the proposed changes, including the scheduling, the manner of implementation, associated costs, and the short-term and long-term effects of the proposed changes. If, within thirty days after the date of the meeting, members of any two representative groups present at the meeting object in writing to the proposed changes, the superintendent may not implement the change prior to July 1, 2001.

**SECTION 18. SCHOOL DISTRICT FINANCIAL DATA - REPORTING - REQUIREMENTS.** The superintendent of public instruction shall develop standardized reporting forms, in both hard copy and electronic format, prescribing the manner in which school district superintendents and business managers must account for and report financial data. The superintendent of public instruction shall report to the interim education finance committee of the legislative council regarding the content of the reports and specific actions taken to account for transfers from school district general funds, to eliminate or reduce variations in the reporting of data, and to ensure that the financial data is available in a form that allows for accurate and consistent comparisons.

**SECTION 19. NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS TESTING.** The department of public instruction shall participate in the national assessment of educational progress (NAEP) testing program for the 1999-2001 biennium.

**SECTION 20. FEDERAL FUNDING FOR SPECIAL EDUCATION URGED.** The fifty-sixth legislative assembly urges the Congress of the United States and the President to increase federal funding for special education to achieve, within the next three years, the statutory goal of the federal government providing funding for special education students equal to 40 percent of the national average per student educational expenditure. The secretary of state shall send copies of this section to the President, the members of the North Dakota congressional delegation, the national conference of state legislatures, and the state superintendent of public instruction."

**"SECTION 23. AMENDMENT.** If House Bill No. 1034 does not become effective, Section 15-21-03 of the North Dakota Century Code is amended and reenacted as follows:

**15-21-03. Appointment of deputy—Assistant assistant - Clerks.** The superintendent of public instruction may appoint a deputy for whose official acts he is responsible, and an assistant whose duty it is to assist the superintendent of public instruction in visiting schools and institutes, to attend school officers' meetings, and to perform such other duties as may be required of him. The superintendent also may employ such clerks as are necessary in carrying on the work of the department.

**SECTION 24. AMENDMENT.** Section 15.1-02-03 of the North Dakota Century Code as created by House Bill No. 1034, as approved by the fifty-sixth legislative assembly, is amended and reenacted as follows:

**15.1-02-03. Appointment of deputy assistant - Employment of personnel.** The superintendent of public instruction may appoint a deputy superintendent and an assistant. The superintendent may also hire personnel or contract with other persons to perform the work of the department of public instruction.

**SECTION 25. AMENDMENT.** Section 15-59-06 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**15-59-06. State cooperation in special education.** Students with disabilities who are receiving special education services must be deemed to be regularly enrolled in the school district of residence and must be included in the determination of payments from the state foundation aid program whether or not the students regularly attend school in the school or school district receiving the payments. A prorated state foundation aid payment for a student to attend a public school program for students with disabilities, approved by the superintendent of public instruction, may be made if the individualized education program for the student is written during the last quarter of the school term and specifically requires that the student attend a summer special education program. In the case of a student who is enrolled in a nonpublic school but who attends a public school special education program, payments must be made to the appropriate public school district for the portion of a normal schoolday the student participates in special education. For the purposes of this section, a normal schoolday consists of six hours. The amount the school district is required to expend must be reduced proportionately if a student attends the school for less than an entire year. If any school district within a special education unit has a student with disabilities who, in the opinion of the student's multidisciplinary team, is unable to attend the public schools in the special education unit because of a disability, the school district shall contract with an in-state public school located outside the special education unit in which the student is a legal resident, if the school will accept the student and has proper services for the student's education. No school district may enter into a contract with any in-state public school for the education of any student because of a disability, unless the services provided by the school and the contract have been approved in advance by the superintendent of public instruction. The contract must provide that the school district agrees to pay to the in-state public school as part of the cost of educating the student an amount for the school year equal to ~~two and one-half~~ three times the state average per student elementary or high school cost, depending upon the student's level of enrollment. The payment may not exceed the actual per student cost incurred by the in-state public school. The school district's liability must be reduced proportionately if the student attends the in-state public school for less than an entire year. The superintendent of public instruction, upon notification by the admitting district and upon verification by the superintendent that tuition payments are due the admitting district and are unpaid, shall withhold ~~all payments~~ from the state for foundation aid payments to the district of residence an amount equal to the unpaid tuition until the tuition due that amount has been paid. The transportation must be furnished as provided by rules of

the superintendent of public instruction. The superintendent of public instruction shall reimburse school districts eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits ~~must be paid from funds~~, within the limits of legislative appropriations for that purpose.

**SECTION 26. AMENDMENT.** Section 15-59-06.2 of the North Dakota Century Code is amended and reenacted as follows:

**15-59-06.2. Cost of special education - Liability of school district.** If allowable costs for special education and related services for a child with disabilities in a special education program, as determined by the superintendent of public instruction, exceed the reimbursement provided by the state, the school district is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of ~~two and one-half~~ three times the state average ~~per pupil per student~~ elementary or high school cost, depending on whether the enrollment would be in a grade or high school department, and twenty percent of all remaining costs. The ~~two and one-half~~ three times amount includes the amount the school district is required to pay in section 15-59-06. The state is liable for ~~one hundred~~ eighty percent of the remainder of the cost of education and related services for each such student with disabilities within the limits of legislative appropriations for that purpose.

**SECTION 27. AMENDMENT.** Section 15-59-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**15-59-07. Contracts for students with disabilities to attend private or out-of-state public schools.** If any school district in this state has a student with disabilities who in the opinion of the student's multidisciplinary team is unable to attend the public schools in the district because of a physical or mental disability or because of a learning disability, the school district shall contract with any accredited private nonsectarian nonprofit corporation within or outside the state or an out-of-state public school which has proper facilities for the education of the student, if there is no public school in the state which has the necessary services and which will accept the student. No school district may enter a contract with any private nonsectarian nonprofit corporation or out-of-state public school for the education of any student having a physical or learning disability, unless the services provided by the school and the contract have been approved in advance by the superintendent of public instruction. The contract must provide that the school district agrees to pay to the private nonsectarian nonprofit corporation or the out-of-state public school as part of the cost of educating the student an amount for the school year equal to ~~two and one-half~~ three times the state average per student elementary or high school cost, depending upon the student's level of enrollment and twenty percent of all remaining costs. The payment may not exceed the actual per student cost incurred by the private nonsectarian nonprofit corporation or out-of-state public school. The transportation must be furnished and reimbursed as provided by rules of the superintendent of public instruction. ~~The remainder of the actual cost of educating the student with disabilities not covered by other payments or credits must be paid from funds appropriated by the legislative assembly for special education notwithstanding limitations cited in section 15-59-06.~~ The superintendent of public instruction shall reimburse school districts eighty percent of the remainder of the actual cost of educating each student with disabilities not covered by other payments or credit within the limits of legislative appropriations for that purpose. The district of residence is entitled to the per student foundation payment.

**SECTION 28.** A new section to chapter 15-59 of the North Dakota Century Code is created and enacted as follows:

**Special education critical needs board - Creation - Membership - Purpose.**

1. The superintendent of public instruction shall establish a special education critical needs board, as provided in this section.

2. The superintendent shall establish five regions of the state based on student population in each region.
3. The critical needs board consists of seven members: five members representing special education units, one from each of the five regions as established under subsection 2; one member representing the department of public instruction; and one member representing the disability services division of the department of human services.
4. Members of the critical needs board are eligible to receive reimbursement from the department of public instruction for necessary travel and expenses incurred in attending meetings of the board equal to the amounts provided for state officials pursuant to sections 44-08-04 and 54-06-09.
5. The superintendent shall adopt rules and develop application forms for the distribution of funds appropriated by the legislative assembly for distribution by the critical needs board to school districts.
6. School districts that meet the following criteria are eligible to receive funding from the critical needs board:
  - a. The school district has incurred extraordinary expenditures, as defined by the superintendent, to educate students with disabilities.
  - b. The extraordinary expenditures incurred by the school district have had a significant impact on the district's ability to provide education services, resulting in critical needs.
  - c. The district is not eligible to receive funding to address critical needs through any other state program for the support of special education services."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 201 - DEPARTMENT OF PUBLIC INSTRUCTION

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$11,825,653	\$11,706,777	(\$728,798)	\$10,977,979
Operating expenses	10,457,032	10,107,032	(397,312)	9,709,720
Equipment	591,036	591,036	(100,000)	491,036
Grants - Foundation aid and transportation	475,906,259	481,006,259	(2,000,000)	479,006,259
Grants - Revenue supplement	3,100,000	3,100,000		3,100,000
Grants - Tuition apportionment	53,528,217	53,528,217		53,528,217
Grants - Special education	44,600,000	44,600,000	1,500,000	46,100,000
Grants - Special education critical needs			500,000	500,000
Grants - Other grants	132,007,469	132,695,566	10,623,097	143,318,663
Geographic education	50,000	50,000		50,000
SENDIT network	546,669	546,669		546,669
National board certification	398,000	20,000		20,000
Total all funds	\$733,010,335	\$737,951,556	\$9,396,987	\$747,348,543
Less special funds	193,694,209	199,247,247	4,959,651	204,206,898
General fund	\$539,316,126	\$538,704,309	\$4,437,336	\$543,141,645
FTE	137.95	137.95	(8.00)	129.95

Detail of House changes to the Senate version:

	REMOVE POSITIONS	REDUCE OPERATING EXPENSES	REDUCE EQUIPMENT	REMOVE FUNDING FOR SALARY MARKET INCREASE FOR DEPUTY SUPERINTENDENT	REDUCE TEMPORARY SALARIES	TRANSFER FUNDING FROM FOUNDATION AID TO TECHNOLOGY GRANTS
Salaries and wages	(\$656,946) <sup>1</sup>			(\$2,676) <sup>4</sup>	(\$69,176) <sup>5</sup>	
Operating expenses		(\$300,000) <sup>2</sup>				
Equipment			(\$100,000) <sup>3</sup>			
Grants - Foundation aid and transportation						(\$5,000,000) <sup>6</sup>
Grants - Revenue supplement						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Special education critical needs						
Grants - Other grants						5,000,000 <sup>6</sup>
Geographic education						
SENDIT network						
National board certification						
<b>Total all funds</b>	<b>(\$656,946)</b>	<b>(\$300,000)</b>	<b>(\$100,000)</b>	<b>(\$2,676)</b>	<b>(\$69,176)</b>	<b>\$0</b>
<b>Less special funds</b>	<b>(426,418)</b>		<b>(74,000)</b>		<b>(65,716)</b>	
<b>General fund</b>	<b>(\$230,528)</b>	<b>(\$300,000)</b>	<b>(\$26,000)</b>	<b>(\$2,676)</b>	<b>(\$3,460)</b>	<b>\$0</b>
FTE	(8.00)	0.00	0.00	0.00	0.00	0.00

	INCREASE FOUNDATION AID	INCREASE SPECIAL EDUCATION GRANTS	ADD FEDERAL FUNDS FOR CLASS SIZE REDUCTION GRANTS	REDUCE OPERATING EXPENSES FOR EARLY CHILDHOOD TRACKING	TOTAL HOUSE CHANGES
Salaries and wages					(\$728,798)
Operating expenses				(\$97,312) <sup>10</sup>	(397,312)
Equipment					(100,000)
Grants - Foundation aid and transportation	\$3,000,000 <sup>7</sup>				(2,000,000)
Grants - Revenue supplement					
Grants - Tuition apportionment					
Grants - Special education		\$1,500,000 <sup>8</sup>			1,500,000
Grants - Special education critical needs		500,000 <sup>8</sup>			500,000
Grants - Other grants			\$5,623,097 <sup>9</sup>		10,623,097
Geographic education					
SENDIT network					
National board certification					
<b>Total all funds</b>	<b>\$3,000,000</b>	<b>\$2,000,000</b>	<b>\$5,623,097</b>	<b>(\$97,312)</b>	<b>\$9,396,987</b>
<b>Less special funds</b>			<b>5,623,097</b>	<b>(97,312)</b>	<b>4,959,651</b>
<b>General fund</b>	<b>\$3,000,000</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,437,336</b>
FTE	0.00	0.00	0.00	0.00	(8.00)

House changes narrative:

This amendment makes the following changes:

- Provides in Section 6 of the engrossed bill that the Educational Telecommunications Council may establish a minimum grant amount of \$5,000 and provides that for a school district to be eligible to receive a grant, the school district administrative office must be connected to the Internet.
- Removes Section 7, which provided legislative intent regarding the use of grants distributed by the Educational Telecommunications Council.
- Adds a new Section 17, which provides that prior to implementing any change in the credentialing process for special education teachers, the Superintendent of Public Instruction must obtain the approval of certain education-related groups.
- Adds a new Section 18, which directs the Superintendent of Public Instruction to develop standardized reporting forms for the reporting of financial data.

- Adds a new Section 19, which directs the department to participate in the national assessment of educational progress (NAEP) testing program.
- Adds a new Section 20, which urges Congress and the President to provide funding for special education students equal to 40 percent of the national average educational expenditure per student.
- Amends North Dakota Century Code (NDCC) Sections 15-21-03 and 15.1-02-03 to remove statutory references to the Deputy Superintendent of Public Instruction.
- Amends NDCC Sections 15-59-06, 15-59-06.2, and 15-59-07 to increase the amount school districts are liable to pay for extraordinary special education costs from 2.5 times the state average educational expenditure per student to three times the state average, plus 20 percent of any additional costs.
- Creates a new section to NDCC Chapter 15-59 to create a special education critical needs board.
- Increases from \$10.5 million to \$11 million (Section 5 of the bill) the amount of the special education appropriation to be used for reimbursing districts for special education contract costs. This results in a corresponding \$500,000 decrease in the amount to be distributed on a per student basis pursuant to subsection 3 of Section 5. Section 5, as amended, provides that the \$46.1 million special education grants line item will be distributed as follows:
  - \$11 million for special education contract costs.
  - \$400,000 for gifted and talented programs.
  - \$34.7 million for per student special education payments.
- Removes Section 20 of the engrossed bill, which repealed Section 2 of Senate Bill No. 2381. Section 2 of Senate Bill No. 2381 provided a \$400,000 appropriation for payments to schools with students with limited English proficiency. However, this section of Senate Bill No. 2381 was removed by amendments recommended by the House Education Committee and adopted by the House. The foundation aid line item of Senate Bill No. 2013 contains the required \$400,000 appropriation for these payments.

<sup>1</sup> Removes the following FTE positions:

POSITION TITLE	POSITION NUMBER	FTE	GENERAL FUND	OTHER FUNDS	TOTAL FUNDS
Teacher IV	0006	1.00		\$81,619	\$81,619
Deputy superintendent	3100	1.00	\$122,816		122,816
Training officer I	3205	1.00		59,718	59,718
Assistant director	3401	1.00	107,712		107,712
Teacher I	3830	1.00		73,354	73,354
Special education regional coordinator	3834	1.00		95,992	95,992
Teacher I	9999-2	1.00		67,449	67,449
Computer operator II	9999-3	<u>1.00</u>		<u>48,286</u>	<u>48,286</u>
Total		8.00	\$230,528	\$426,418	\$656,946

<sup>2</sup> Removes \$300,000 from the general fund for operating expenses for travel (\$100,000) and professional services (\$200,000).

<sup>3</sup> Removes \$100,000 for equipment, reducing the line item from \$591,036 to \$491,036. The reduction is allocated between the general fund (\$26,000) and other funds (\$74,000) based on the funding source split of the line item in the engrossed bill.

<sup>4</sup> Removes general fund spending authority of \$2,676 added by the Senate for a salary market increase for the deputy superintendent position. This amendment removes the deputy superintendent position.

<sup>5</sup> Reduces salaries and wages by \$69,176 (\$3,460 from the general fund, \$65,716 from other funds) for temporary salaries, reducing the total amount for temporary salaries from \$319,176 to \$250,000.

- <sup>6</sup> Transfers \$5 million of general fund appropriation authority from the foundation aid line item to the other grants line item to restore the \$6 million included in the executive recommendation for grants to schools for technology or teacher professional development.
- <sup>7</sup> Increases the foundation aid line item by \$3 million to reflect the per student payment amounts of \$2,134 and \$2,240 provided in Senate Bill No. 2162 for the 1999-2001 biennium.
- <sup>8</sup> Increases funding for special education grants by \$2 million, \$500,000 of which is for grants to be distributed by the special education critical needs board.
- <sup>9</sup> Increases the other grants line item by \$5,623,097 to reflect federal funds anticipated to be available for grants to schools to reduce class size.
- <sup>10</sup> Reduces the operating expenses line item by \$97,312 to reflect an anticipated reduction in federal funds available for the early childhood tracking program. The total amount provided for the program is reduced from \$847,312 to \$750,000.

## DEPARTMENT 252 - SCHOOL FOR THE DEAF

House - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$4,347,330	\$4,275,930		\$4,275,930
Operating expenses	1,015,458	1,015,458		1,015,458
Equipment	39,224	74,824		74,824
Capital improvements	<u>136,327</u>	<u>136,327</u>	(\$100,000)	<u>36,327</u>
Total all funds	\$5,538,339	\$5,502,539	(\$100,000)	\$5,402,539
Less special funds	<u>658,177</u>	<u>657,369</u>		<u>657,369</u>
General fund	\$4,880,162	\$4,845,170	(\$100,000)	\$4,745,170
FTE	53.93	53.93	0.00	53.93

Detail of House changes to the Senate version includes:

	REMOVE FUNDING FOR INDEPENDENT LIVING COTTAGE	TOTAL HOUSE CHANGES
Salaries and wages		
Operating expenses		
Equipment		
Capital improvements	(\$100,000)	(\$100,000)
Total all funds	(\$100,000)	(\$100,000)
Less special funds		
General fund	(\$100,000)	(\$100,000)

## DEPARTMENT 253 - SCHOOL FOR THE BLIND

House - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,415,801	\$2,391,456		\$2,391,456
Operating expenses	678,059	678,059		678,059
Equipment	70,500	70,500		70,500
Capital improvements	<u>51,790</u>	<u>51,790</u>		<u>51,790</u>
Total all funds	\$3,216,150	\$3,191,805	\$0	\$3,191,805
Less special funds	<u>863,400</u>	<u>863,400</u>	<u>86,876</u>	<u>950,276</u>
General fund	\$2,352,750	\$2,328,405	(\$86,876)	\$2,241,529
FTE	28.00	28.00	0.00	28.00

Detail of House changes to the Senate version:

	FUNDING SOURCE CHANGE	TOTAL HOUSE CHANGES
Salaries and wages		
Operating expenses		
Equipment		
Capital improvements		
Total all funds	\$0	\$0
Less special funds	<u>86,876</u> <sup>1</sup>	<u>86,876</u>
General fund	(\$86,876) <sup>1</sup>	(\$86,876)

House changes narrative:

<sup>1</sup> Increases other funds spending authority and decreases general fund spending authority by \$86,876 anticipated to be available from the School for the Blind fund. The funding source switch includes the following:

- \$34,076 for operating expenses.
- \$52,800 for temporary salaries relating to the compensatory skills training program.