

**Fifty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2005**

HOUSE BILL NO. 1013
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide an appropriation to the division of independent study; to provide for the distribution of special education payments; to provide for a legislative council study; to provide a statement of legislative intent; to amend and reenact section 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library in section 3 of this Act as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

Salaries and wages	\$9,277,686
Operating expenses	13,057,823
Capital assets	15,000
Grants - State school aid	489,379,990
Grants - Tuition apportionment	69,495,371
Grants - Special education	49,898,695
Grants - Revenue supplement	5,000,000
Grants - Teacher compensation	51,854,000
Grants - Other grants	182,255,244
Reorganization bonuses	500,000
Data envelopment analysis	<u>50,000</u>
Total all funds - Base level	\$870,783,809
Less estimated income - Base level	<u>266,058,803</u>
Total general fund - Base level	\$604,725,006

Subdivision 2.

STATE LIBRARY

Salaries and wages	\$2,078,571
Operating expenses	1,181,647
Grants	1,396,807
Total all funds - Base level	\$4,657,025
Less estimated income - Base level	<u>1,629,979</u>
Total general fund - Base level	\$3,027,046

Subdivision 3.

SCHOOL FOR THE DEAF

Salaries and wages	\$4,809,808
Operating expenses	1,102,160
Capital assets	<u>32,723</u>
Total all funds - Base level	\$5,944,691
Less estimated income - Base level	<u>871,449</u>
Total general fund - Base level	\$5,073,242

Subdivision 4.

VISION SERVICES - SCHOOL FOR THE BLIND

Salaries and wages	\$2,540,292
Operating expenses	698,683
Capital assets	<u>18,233</u>
Total all funds - Base level	\$3,257,208
Less estimated income - Base level	<u>1,167,383</u>
Total general fund - Base level	\$2,089,825
Total general fund - Section 1	\$614,915,119
Total special funds - Section 1	\$269,727,614
Total all funds - Section 1	\$884,642,733

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

Salaries and wages	\$696,239
Operating expenses	1,834,485
Capital assets	(15,000)
Grants - State school aid	27,473,769
Grants - Tuition apportionment	2,104,629
Grants - Special education	2,601,305
Grants - Teacher compensation	(941,880)
Grants - Other grants	25,743,839
Reorganization bonuses	(500,000)
Data envelopment analysis	(50,000)
National board certification	<u>40,000</u>
Total all funds - Adjustments/enhancements	\$58,927,386
Less estimated income - Adjustments/enhancements	<u>29,784,889</u>
Total general fund - Adjustments/enhancements	\$29,202,497

Subdivision 2.

STATE LIBRARY

Salaries and wages	\$135,555
Operating expenses	200,125
Grants	<u>155,693</u>
Total all funds - Adjustments/enhancements	\$491,373
Less estimated income - Adjustments/enhancements	<u>27,194</u>
Total general fund - Adjustments/enhancements	\$464,179

Subdivision 3.

SCHOOL FOR THE DEAF

Salaries and wages	\$201,314
Operating expenses	275,105
Capital assets	<u>246,772</u>
Total all funds - Adjustments/enhancements	\$723,191
Less estimated income - Adjustments/enhancements	<u>454,220</u>
Total general fund - Adjustments/enhancements	\$268,971

Subdivision 4.

VISION SERVICES - SCHOOL FOR THE BLIND

Salaries and wages	\$125,411
Operating expenses	(91,377)

Capital assets	<u>49,237</u>
Total all funds - Adjustments/enhancements	\$83,271
Less estimated income - Adjustments/enhancements	<u>(323,935)</u>
Total general fund - Adjustments/enhancements	\$407,206
Total general fund - Section 2	\$30,342,853
Total special funds - Section 2	\$29,942,368
Total all funds - Section 2	\$60,285,221

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

Salaries and wages	\$9,973,925
Operating expenses	14,892,308
Grants - State school aid	516,853,759
Grants - Tuition apportionment	71,600,000
Grants - Special education	52,500,000
Grants - Revenue supplement	5,000,000
Grants - Teacher compensation	50,912,120
Grants - Other grants	207,999,083
National board certification	<u>40,000</u>
Total all funds	\$929,771,195
Less estimated income	<u>295,843,692</u>
Total general fund appropriation	\$633,927,503

Subdivision 2.

STATE LIBRARY

Salaries and wages	\$2,214,126
Operating expenses	1,381,772
Grants	<u>1,552,500</u>
Total all funds	\$5,148,398
Less estimated income	<u>1,657,173</u>
Total general fund appropriation	\$3,491,225

Subdivision 3.

SCHOOL FOR THE DEAF

Salaries and wages	\$5,011,122
Operating expenses	1,377,265
Capital assets	<u>279,495</u>
Total all funds	\$6,667,882
Less estimated income	<u>1,325,669</u>
Total general fund appropriation	\$5,342,213

Subdivision 4.

VISION SERVICES - SCHOOL FOR THE BLIND

Salaries and wages	\$2,665,703
Operating expenses	607,306
Capital assets	<u>67,470</u>
Total all funds	\$3,340,479
Less estimated income	<u>843,448</u>
Total general fund appropriation	\$2,497,031

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$148,800, or so much of the sum as may be necessary, to the division of independent study for the purpose of developing, publishing, and distributing a North Dakota studies textbook and workbook including civic education for both grades four and eight, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 5. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the division of independent study for the purpose of revitalizing civic education, for the biennium beginning July 1, 2005, and ending June 30, 2007.

Grand total general fund appropriation - H.B. 1013	\$645,456,772
Grand total special funds appropriation - H.B. 1013	\$299,669,982
Grand total all funds appropriation - H.B. 1013	\$945,126,754

SECTION 6. APPROPRIATION. There is appropriated from special funds derived from federal funds and other income the sum of \$30,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing grants for the period beginning with the effective date of this Act and ending June 30, 2005.

SECTION 7. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$71,600,000, included in the grants - tuition apportionment line item in subdivision 1 of section 3 of this Act, is from the state tuition fund in the state treasury. Any additional amount in the state tuition fund that becomes available for distribution to public schools is appropriated to the department of public instruction for that purpose for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 8. STATE SCHOOL AID AND SPECIAL EDUCATION EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the grants - state school aid and grants - special education line items in subdivision 1 of section 3 of this Act in payment of grants for educational services that were due in the 2003-05 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2005.

SECTION 9. DISTRIBUTION OF SPECIAL EDUCATION AID. The sum of \$52,500,000, included in the grants - special education line item in subdivision 1 of section 3 of this Act, must be distributed as follows:

1. Fifteen million five hundred thousand dollars to reimburse school districts or special education units for excess costs incurred relating to contracts for students with disabilities.
2. Four hundred thousand dollars to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.
3. Any amount remaining in the line item must be distributed on a per student basis as required by section 15.1-27-10, excluding reimbursements for student contracts and gifted and talented programs. State special education payments distributed as required by section 15.1-27-10 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 superintendent of public instruction to the department of human services on behalf of the school district or unit.

SECTION 10. PAYMENTS FOR LIMITED ENGLISH PROFICIENT STUDENTS. Payments to school districts educating limited English proficient students, as provided in section 15.1-27-12, must be made by the superintendent of public instruction during the biennium beginning July 1, 2005, and

ending June 30, 2007, using up to \$650,000 of the amount included in the grants - state school aid line item in subdivision 1 of section 3 of this Act.

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

SECTION 12. DISPLACED HOMEMAKER FUND. The sum of \$253,646, included in the estimated income line item in subdivision 1 of section 3 of this Act, is from the displaced homemaker fund and must be used by the superintendent of public instruction for the purpose of providing services for displaced homemakers, as provided in chapter 14-06.1, during the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 13. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in subdivision 2 of section 3 of this Act includes \$1,000,000 for aid to public libraries, of which no more than one-half is to be expended during the fiscal year ending June 30, 2006.

SECTION 14. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND OPERATING FUND. Any moneys included in the estimated income line item in subdivision 4 of section 3 of this Act, collected for subscription fees or braille fees, must be deposited in the North Dakota vision services - school for the blind operating fund in the state treasury and may be spent subject to appropriation by the legislative assembly.

SECTION 15. LEGISLATIVE COUNCIL STUDY - SCHOOL FOR THE DEAF AND VISION SERVICES - SCHOOL FOR THE BLIND. The legislative council shall consider studying, during the 2005-06 interim, the potential for cooperative field service delivery between vision services - school for the blind and the school for the deaf. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 16. LEGISLATIVE COUNCIL STUDY - REPORT. The legislative council shall study, during the 2005-06 interim, the state's elementary and secondary education system, including key measurements of student progress, programs that address the state's competitiveness with other states, costs incurred by the state relating to implementing the No Child Left Behind Act, and the most effective means of using taxpayer dollars at the state and local levels to ensure the best possible education for the children of this state. The legislative council also shall evaluate effective programs; opportunities for achievement; and statutory, regulatory, and political barriers to success. The legislative council shall receive input from teachers; administrators; parents; students; local business and community leaders; representatives of higher education; and may use technology, curricular, and programmatic consultants, among others. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 17. LEGISLATIVE INTENT. It is the intent of the fifty-ninth legislative assembly that the department of public instruction not charge school districts for testing relating to the English language learner program.

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

15.1-02-02. Salary. The annual salary of the superintendent of public instruction is ~~sixty-nine~~ seventy-nine thousand six hundred forty-eight dollars through ~~December 31, 2004~~ June 30, 2006, ~~seventy-five and eighty-two thousand nine hundred sixteen~~ seventy-five and eighty-two thousand nine hundred sixteen dollars through ~~June 30, 2002~~ June 30, 2002, and ~~seventy-seven thousand four hundred thirty-four~~ seventy-five and eighty-two thousand nine hundred sixteen dollars thereafter.

SECTION 19. EMERGENCY. Section 6 of this Act is declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-ninth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1013 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 71 Nays 21 Absent 2

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 44 Nays 0 Absent 3

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2005.

Approved at _____ M. on _____, 2005.

Governor

Filed in this office this _____ day of _____, 2005,

at _____ o'clock _____ M.

Secretary of State