

**Department of Public Instruction  
Budget No. 201  
Senate Bill No. 2013**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2015-17 legislative appropriations</b>	<b>99.75</b>	<b>\$1,820,982,952</b>	<b>\$508,632,473</b>	<b>\$2,329,615,425</b>
2015-17 base budget	99.75	1,717,543,325	436,996,759	2,154,540,084
Legislative increase (decrease) to base budget	0.00	\$103,439,627	\$71,635,714	\$175,075,341

**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>
<b>2015-17 legislative appropriations</b>	<b>\$1,805,502,952</b>	<b>\$15,480,000</b>	<b>\$1,820,982,952</b>
2013-15 legislative appropriations	1,717,543,325	11,070,000 <sup>1</sup>	1,728,613,325 <sup>1</sup>
2015-17 legislative increase (decrease) to 2013-15 appropriations	\$87,959,627	\$4,410,000	\$92,369,627
Percentage increase (decrease) to 2013-15 appropriations	5.1%	39.8%	5.3%

<sup>1</sup>The 2013-15 biennium general fund appropriations reflect a contingent appropriation of \$5 million made in 2013 Senate Bill No. 2003 to provide a grant for the construction of a children's science center in Bismarck. The appropriation was contingent on actual general fund revenues, including any unobligated general fund balance on July 1, 2013, exceeding legislative estimates for general fund revenues by 3.5 percent during the period beginning July 1, 2013, through June 30, 2014, as determined by the Office of Management and Budget. The contingency requirements were met; therefore, the appropriation became effective.

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE 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 Senate Bill No. 2015.

	<b>Changes to Base Budget</b>			<b>Total</b>
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		\$719,511	(\$569,781)	\$149,730
Added funding for market equity related to attrition in the director of school finance position.		100,000		100,000
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		206,948	422,861	629,809

Added funding for employee health insurance premiums to reflect a premium estimate of \$1,130.22 per month.	113,863	246,198	360,061
Increased funding for salaries and wages to support content positions in math and science. The department anticipates converting current FTE positions.	277,351		277,351
Increased funding for the administration of the Safe and Healthy Schools Unit, including salaries and wages (\$500,034) and operating expenses (\$97,640).	597,674		597,674
Increased funding for information technology maintenance to update the state automated reporting system (STARS) (\$112,000) and updates to the department's website (\$48,000).	160,000		160,000
Added funding for operating expenses to support the statewide accreditation system.	799,750		799,750
Added funding for operating expenses to support a college and career readiness program, including the cost of advanced placement teacher professional development and related expenses.	250,000		250,000
Added funding to support statewide training and implementation activities to advance the deployment of principal and teacher evaluation programs, including \$60,000 for operating costs and \$240,000 for grants.	300,000		300,000
Adjust funding for various federal and special funds grants.		(7,869,039)	(7,869,039)
Increased funding for integrated formula payments to provide a total of \$1,916,640,000, of which \$219,134,000 is from the state tuition fund and \$1,697,506,000 is from the general fund.	85,732,000	78,808,000	164,540,000
Increased funding for transportation grants to provide a total of \$57 million from the general fund.	3,500,000		3,500,000
Increased funding for special education contract grants to provide a total of \$17.3 million from the general fund.	800,000		800,000
Increased funding for the mentorship grant program to provide \$2.7 million from the general fund for an expanded teacher, principal, and instructional coach mentoring program.	400,000		400,000
Increased funding for adult education grants to provide a total of \$4,110,411 from the general fund.	1,000,000		1,000,000

Adjusted the funding source of other grants to reflect the estimated availability of grant funds.

(597,475) 597,475

Adjusted funding for other general fund grants as follows:

121,394

121,394

	<b>General Fund Increase (Decrease)</b>	<b>Total General Fund</b>
Rural art outreach project	\$20,000	\$435,000
LEAD Center	7,500	267,500
Global Bridges (Atlantik-Brucke) exchange	100,000	250,000
North Dakota young entrepreneur education program	(20,000)	100,000
"We the People" program	5,000	25,000
Pathfinders Parent project	(11,106)	120,000
National writing projects	20,000	193,000
<b>Total general fund</b>	<b>\$121,394</b>	<b>\$1,390,500</b>

Added funding for grants to provide free breakfast to students eligible for reduced meals to provide a total of \$205,000 from the general fund.

205,000

205,000

Added funding for English language learner grants to provide a total of \$1 million from the general fund.

1,000,000

1,000,000

Added funding for Medicaid matching requirements of school districts related to increased medical assistance payment rates for physical, occupational, and speech therapy services to provide a total of \$323,611 from the general fund.

323,611

323,611

Added funding for PowerSchool to provide a total of \$6 million from the general fund in a separate line of the department's appropriation and removed the PowerSchool factor from the state school aid formula.

6,000,000

6,000,000

Increased funding for rapid enrollment grants to provide a total of \$14.8 million from the general fund as one-time funding.

1,200,000

1,200,000

Added one-time funding for a grant to the North Dakota Humanities Council for the development of elementary and secondary civics education.

200,000

200,000

Added one-time funding for the cost of computer updates related to providing free breakfast to students eligible for reduced meals.

30,000

30,000

Total 0.00

\$103,439,627

\$71,635,714

\$175,075,341

**FTE Changes**

The Legislative Assembly approved 99.75 FTE positions for the Department of Public Instruction for the 2015-17 biennium, the same as the 2013-15 biennium.

**One-Time Funding**

In Section 2 of Senate Bill No. 2013, the Legislative Assembly identified \$15.48 million of one-time funding from the general fund for the 2015-17 biennium for various initiatives. These items, summarized below, are not to be considered part of the Department of Public Instruction's 2017-19 biennium base budget, and the department is to report to the Appropriations Committees during the 2017 legislative session on the use of this funding.

	<b>General Fund</b>	<b>Special Funds</b>	<b>Total</b>
Rapid enrollment grants	\$14,800,000		\$14,800,000
Cardiopulmonary resuscitation (CPR) training grants	450,000		450,000
Civics education grant	200,000		200,000
Free or reduced meals information technology	30,000		30,000
<b>Total</b>	<b>\$15,480,000</b>	<b>\$0</b>	<b>\$15,480,000</b>

**State School Aid - Integrated Formula Payments, Transportation Aid,  
Special Education Contracts, and Rapid Enrollment Grants**

The Legislative Assembly appropriated \$2,005,740,000, of which \$1,786,606,000 is from the general fund and \$219,134,000 is from the state tuition fund, for state school aid, including integrated formula payments, transportation aid, special education, and grants for rapid enrollment growth. This level of funding represents an increase of \$170 million, of which \$91.2 million is from the general fund and \$78.8 million is from the state tuition fund, from the 2013-15 legislative appropriation of \$1,835,700,000. (See the schedules following this section for a comparison of state school aid and other grants for the 2013-15 and 2015-17 bienniums.)

**Integrated Formula Payments**

In 2013 the Legislative Assembly approved the implementation of a new integrated formula payment to provide school funding. The legislative appropriation for the state school aid program integrates property tax relief in the K-12 state school aid funding formula. The formula change provides the state will determine an adequate base level of support necessary to educate students by applying an integrated payment rate to the weighted student units. For the 2015-17 biennium, the integrated payment rates are \$9,365 during the first year of the biennium and \$9,646 for the second year of the biennium. This base level of support will be provided through a combination of local tax sources, local revenue, and state integrated formula payments. The local funding requirement is set at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources is provided by the state through the integrated formula payment. In addition, school districts are allowed an additional 10-mill levy for general fund purposes, an additional 12-mill levy for miscellaneous purposes, and a 3-mill levy for a special reserve fund.

The Legislative Assembly provided an appropriation of \$1,916,640,000, of which \$1,697,506,000 is from the general fund and \$219,134,000 is from the state tuition fund, for state school aid for integrated formula payments. This level of funding represents an increase of \$164.5 million, of which \$85.7 million is from the general fund and \$78.8 million is from the state tuition fund, from the 2013-15 biennium appropriation for integrated formula payments of \$1.752 billion.

The Legislative Assembly approved increases in the state school aid formula totaling \$164.5 million, including cost-to-continue the 2013-15 biennium second year integrated formula payment increase (\$62 million), cost of projected student growth (\$104 million), and cost associated with a 3 percent per year increase in per student integrated payment rates (\$103.32 million). Increases approved by the Legislative Assembly and other adjustments to the state school aid formula are summarized as follows:

	<b>Increase (Decrease)</b>	<b>Integrated Formula Payments</b>
Base budget integrated formula payments:		\$1,752,100,000
Base adjustment for unobligated 2013-15 appropriation	(\$25,600,000)	
Cost-to-continue second year integrated formula payment increase	62,000,000	
Projected 2015-17 biennium student growth	104,000,000	
Increase in local cost-share, including local property tax and income relating to estimated oil tax production and distribution	(73,000,000)	
Increase per student integrated formula payment rates to provide for 3 percent per year increases	103,320,000	
Remove PowerSchool weighting factor	(6,360,000)	
Remove crossborder weighting factor	(200,000)	
Decrease the migrant weighting factor from 1.00 to .60 by combining it with the summer education factor	(260,000)	
Increase school district size weighting factor	390,000	
Increase English language learner weighting factors <sup>1</sup>	250,000	
Total adjustments to base budget integrated formula payments		164,540,000
Total 2015-17 biennium integrated formula payments		\$1,916,640,000

<sup>1</sup>The Legislative Assembly, in Section 9 of Senate Bill No. 2031, provided for additional increases to certain English language learner weighting factors effective July 1, 2017. If not adjusted by the 2017 Legislative Assembly, the additional cost of these weighting factor increases in the 2017-19 biennium will be approximately \$700,000.

### **Transportation Aid Grants and Contingent Transportation Grants**

#### **Transportation aid grants**

The Legislative Assembly provided \$57 million from the general fund for transportation aid during the 2015-17 biennium. This level of funding is \$3.5 million more than 2013-15 biennium funding of \$53.5 million from the general fund. Section 7 of Senate Bill No. 2013 requires the Department of Public Instruction to distribute transportation aid for the 2015-17 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:

- One dollar and 18 cents per mile for schoolbuses having a capacity of 10 or more passengers.
- Fifty-five cents per mile for vehicles having a capacity of nine or fewer passengers.
- Fifty-four cents per mile round trip for family transportation of a student with a disability whose individualized education program plan requires that the student attend a school outside the student's school district of residence.
- Fifty-four cents per mile one way for family transportation if the student lives more than two miles from the public school the student attends.
- Thirty-two cents per student for each one-way trip.

Section 7 of Senate Bill No. 2013 also provides if any funds appropriated for transportation aid for the 2015-17 biennium remain unspent after all statutory obligations are met, the Department of Public Instruction is to prorate and distribute the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

#### **Contingent Transportation Grants**

In addition to \$57 million provided from the general fund for transportation aid during the 2015-17 biennium in Senate Bill No. 2013, the Legislative Assembly provided, in Section 13 of Senate Bill No. 2015, that if any funding appropriated to the Superintendent of Public Instruction for integrated formula payments to school districts remains after the Superintendent complies with all statutory payment obligations imposed for the 2015-17 biennium, the Superintendent must provide up to \$3 million of the funds remaining for additional transportation grants. The Superintendent must prorate the available funding according to the percentage of the total transportation formula amount to which each school district is entitled.

### **Special Education Contracts**

The Legislative Assembly provided \$17.3 million from the general fund for special education contracts during the 2015-17 biennium. This level of funding is \$800,000 more than 2013-15 biennium funding of \$16.5 million from the general fund.

### **Rapid Enrollment Grants**

The Legislative Assembly provided \$14.8 million from the general fund to the Superintendent of Public Instruction for rapid enrollment grants. This level of funding is \$1.2 million more than 2013-15 biennium funding of \$13.6 million from the general fund. Grants are distributed based on two funding tiers, districts experiencing an increase of at least 4 percent or 150 students and no less than 20 students (Tier 1) and districts experiencing an increase of at least 2 percent or 75 students and no less than 10 students (Tier 2). The district's grant is determined by reducing the actual percentage increase in the number of students by 2 percent and multiplying the number of students represented by the reduced percentage by \$4,000 for Tier 1 districts and \$2,000 for Tier 2 districts. The Superintendent may not award more than \$7.4 million in grants during the first year of the 2015-17 biennium and if funding is not sufficient to provide all of the eligible grants, the department must prorate the payment based on the percentage of the total amount to which the school district is entitled. A district is precluded from receiving a rapid enrollment grant if the district is not eligible to receive state aid because of its general fund ending balance.

### **Regional Education Association Incentives**

The Legislative Assembly provided funding for payments to regional education associations totaling \$800,000 in the integrated formula payments line item for the 2015-17 biennium, the same as the 2013-15 biennium. Funding is provided to each regional education association for 70 percent of the total compensation payable to a coordinator, not to exceed \$50,000 annually.

### **English Language Learner Funding and Grants**

The Legislative Assembly provided, through integrated formula payments, \$3.9 million for English language learner services during the 2015-17 biennium. Funding included in the formula is provided through weighting factors for the first, second, and third level of six categories of proficiency of English language learners. In addition to funding provided through the integrated payment formula, the Legislative Assembly also provided, in Senate Bill No. 2013, \$1 million for grants to the four school districts that serve the largest number of first and second level English language learners in K-12. The distribution of these grants is provided for in Section 30 of Senate Bill No. 2031 and provides the Superintendent of Public Instruction must distribute a pro rata share of the available grant dollars to each eligible district based upon the total number of first and second level English language learners enrolled in the four districts. Districts may use grant funds only for the purpose of enhancing services to first and second level English language learners, including hiring additional teachers, interpreters, and social workers for first and second level English language learners and other ancillary support services and programs approved by the Superintendent. The Superintendent may not award more than 50 percent of the funds during the first year of the 2015-17 biennium.

The Legislative Assembly, in Section 9 of Senate Bill No. 2031, provided for additional increases to certain English language learner weighting factors effective July 1, 2017. If not adjusted by the 2017 Legislative Assembly, the additional cost of these weighting factor increases in the 2017-19 biennium will be approximately \$700,000.

### **Authorized Carryover of 2013-15 Biennium Funds to the 2015-17 Biennium**

The Legislative Assembly, in Section 12 of Senate Bill No. 2013, provided the amount appropriated for school district safety grants in Section 1 of Chapter 59 of the 2013 Session Laws is not subject to North Dakota Century Code Section 54-44.1-11 and any unexpended funds are available for school district safety grants during the 2015-17 biennium. The department anticipates distributing \$2.5 million for school district safety grants during the 2013-15 biennium and estimates \$500,000 will be available for school district safety grants during the 2015-17 biennium.

The Legislative Assembly provided, in Sections 32 through 35 of Senate Bill No. 2031, that if any moneys remain in the integrated formula payments line item after the Superintendent of Public Instruction complies with all statutory payment obligations imposed for the 2013-15 biennium, the Superintendent must provide, from the funds remaining, for the following initiatives in order during the 2015-17 biennium:

- First - \$1,252,627 to enhance the delivery and the participation of students and teachers in advanced placement courses;
- Second - \$200,000 to contract with a research institution in the state to study the impact of early childhood education provider grants;
- Third - \$50,000 to provide for a review process for regional education associations; and
- Fourth - \$100,000 to provide grants to foster the creation of open curricular and instructional materials, including textbooks utilized in required course offerings as set forth in Section 15.1-21-02, and in particular textbooks utilized in advanced placement and dual credit courses, in order to reduce the related acquisition costs. Any instructional materials, including textbooks, developed in whole or in part with a grant awarded under this section, must be made available, free of charge, to all school districts in the state.

In addition, in Section 31 of Senate Bill No. 2031, the Legislative Assembly provided the unexpended amount remaining from the transfer of \$250,000 from the 2011-13 biennium, as permitted in Section 61 of Chapter 13 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium, for the purpose of continuing the grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector. The Board for Career and Technical Education anticipates \$130,000 will be available for autism spectrum disorder technology grants during the 2015-17 biennium.

#### **Other Sections in Bill**

**Tuition apportionment** - Section 3 provides that any money available in the state tuition fund in excess of the \$219,134,000 appropriated in Section 1 of the bill is appropriated to the Department of Public Instruction for distribution to school districts.

**Payments for 2013-15 biennium educational services** - Section 4 provides that the Department of Public Instruction may use money appropriated for integrated formula payments and special education contracts for the 2015-17 biennium to pay claims due during the 2013-15 biennium but not filed with the department until the 2015-17 biennium.

**Gifted and talented program and Medicaid matching funding distribution** - Section 5 provides that the Department of Public Instruction use \$800,000 of the 2015-17 legislative appropriation for integrated formula payments 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. The section also provides 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. The Legislative Assembly provided \$323,611 from the general fund to the Department of Public Instruction to offset the increase in Medicaid matching requirements of school districts related to increased medical assistance payment rates for physical, occupational, and speech therapy services during the 2015-17 biennium.

**Regional education association grants** - Section 6 provides for the distribution of up to \$800,000 from the integrated formula payments line item for regional education association grants to assist with the cost of compensating coordinators during the 2015-17 biennium. The maximum annual grant to a regional education association is the lesser of \$50,000 or 70 percent of the total compensation of the coordinator.

**Transportation grants** - Section 7 requires the Department of Public Instruction to distribute transportation aid for the 2015-17 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:

- One dollar and 18 cents per mile for schoolbuses having a capacity of 10 or more passengers.
- Fifty-five cents per mile for vehicles having a capacity of nine or fewer passengers.
- Fifty-four cents per mile round trip for family transportation of a student with a disability whose individualized education program plan requires that the student attend a school outside the student's school district of residence.
- Fifty-four cents per mile one way for family transportation if the student lives more than two miles from the public school the student attends.
- Thirty-two cents per student for each one-way trip.

Section 7 also provides if any funds appropriated for transportation aid for the 2015-17 biennium remain unspent after all statutory obligations are met, the Department of Public Instruction is to prorate and distribute the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

**Rapid enrollment grants** - Section 8 provides for the distribution of up to \$14.8 million in one-time funding for rapid enrollment grants. Grants are distributed based on two funding tiers, districts experiencing an increase of at least 4 percent or 150 students and no less than 20 students (Tier 1), and districts experiencing an increase of at least 2 percent or 75 students and no less than 10 students (Tier 2). Section 8 also provides that no more than \$7.4 million may be provided in the first year of the biennium and if funding is not sufficient to provide all of the eligible grants, the department must prorate the payment based on the percentage of the total amount to which the school district is entitled.

**Continuing education grants** - Section 9 provides for the distribution of up to \$150,000 from the grants - other grants line item for continuing education grants. Grant awards are in amounts up to \$1,200 per eligible recipient and any funding remaining after grants have been awarded to all eligible recipients must be distributed to school districts as additional per student payments based on latest average daily membership.

**CPR training grants** - Section 10 provides for the distribution of CPR training grants. The Legislative Assembly provided \$450,000 in one-time funding from the general fund to the Department of Public Instruction to reimburse public and nonpublic schools offering qualified CPR training, the same as the 2013-15 biennium. However, for the 2015-17 biennium, the Legislative Assembly removed the matching requirement, provided CPR training grants be made available to middle school students, and set a maximum \$15 per student reimbursement level for qualified CPR training programs.

**Indirect cost allocation** - Section 11 provides that, notwithstanding 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.

**2013-15 biennium safety grant exemption** - Section 12 provides the amount appropriated for school district safety grants in Section 1 of Chapter 59 of the 2013 Session Laws is not subject to Section 54-44.1-11 and any unexpended funds are available for school district safety grants during the 2015-17 biennium. The Department of Public Instruction anticipates distributing \$2.5 million for school district safety grants during the 2013-15 biennium and estimates \$500,000 will be available for school district safety grants during the 2015-17 biennium.

**Other grant reporting** - Section 14 requires the Department of Public Instruction report to the 2017 Legislative Assembly regarding the cost per participant and outcomes of other grants provided by the department.

**Superintendent of Public Instruction salary** - Section 17 provides the statutory changes increasing the Superintendent of Public Instruction's salary by 3 percent each year of the 2015-17 biennium. The Superintendent's annual salary is increased from the current level of \$113,498 to \$116,903, effective July 1, 2015, and to \$120,410, effective July 1, 2016.

**PowerSchool financial support** - Section 18 removes the requirement that the Superintendent of Public Instruction forward the portion of a school district's state aid related to the PowerSchool factor to the Information Technology Department. The Legislative Assembly provided \$6 million from the general fund for PowerSchool in a separate line item of the Department of Public Instruction's appropriation.

**North Dakota motor pool** - Sections 19 and 20 amend Sections 24-02-03.3 and 39-01-03 relating to the management of state-owned licensed motor vehicles and the use of motor vehicles owned by the state to allow the North Dakota Museum of Art to use motor pool vehicles.

**Legislative intent - Regional education associations and teacher center networks** - Section 22 provides legislative intent to require that, during the 2015-17 biennium, teacher center networks merge with regional education associations and to provide mergers are complete by July 1, 2017.

**Legislative Management study - School district transportation** - Section 23 provides for a Legislative Management study of school district transportation and state reimbursement.

**Legislative Management study - Teacher preparation and retention** - Section 24 provides for a Legislative Management study of teacher preparation and retention, including reasons new teachers leave the profession, federal requirements for teacher preparation programs, and possible enhancements to teacher preparation programs and other programs designed to improve retention of new teachers. As part of the study, the Superintendent of Public Instruction must prepare exit interview forms to be completed by school districts when a teacher separates employment. Information from the exit interviews must be compiled by the Superintendent of Public Instruction and the department must report to the Legislative Management regarding the data compiled from the exit interviews.

**Legislative Management study - Educational service providers** - Section 25 provides for a Legislative Management study of the effectiveness and efficiency of educational service providers, including regional education associations, the Education Standards and Practices Board, EduTech, the Center for Distance Education, the North Dakota STEM Network, and the Teacher Center Network.

### Related Legislation

**Civics test** - House Bill No. 1087 requires students to correctly answer at least 60 percent of the questions on a civics test to graduate. A fiscal note prepared by the Department of Public Instruction indicates there is no fiscal impact related to this bill.

**Oil and gas gross production tax distribution formula** - House Bill No. 1176 changes the distribution funding formula for political subdivisions, including school districts and provides oil and gas impact grants.

**Political subdivision allocation fund** - House Bill No. 1377 creates a political subdivision allocation fund for allocations to political subdivisions, including school districts, in the second year of the 2015-17 biennium. The additional distributions to school districts will impact state school aid during the 2017-19 biennium.

**School district construction projects** - House Bill No. 1426 increases the threshold for school construction projects requiring approval by the Superintendent of Public Instruction from \$100,000 to \$150,000.

**Contingent transportation grants** - Section 13 of Senate Bill No. 2015 provides that if any funding appropriated to the Superintendent of Public Instruction for integrated formula payments to school districts remains after the Superintendent complies with all statutory payment obligations imposed for the 2015-17 biennium, the Superintendent must provide up to \$3 million of the funds remaining for additional transportation grants. The Superintendent must prorate the available funding according to the percentage of the total transportation formula amount to which each school district is entitled.

**State school aid, school construction loans, regional education associations, Education Standards and Practices Board, English language learner grants, authorized carryover of 2013-15 biennium funds, School District Reporting Review Committee, K-12 content standards and assessments study, career and technical education study, study of teacher training programs** - Senate Bill No. 2031:

- Removes the sunset on the K-12 integrated formula for **state school aid** and adjusts certain formula provisions, including the following:
  - Increases the per student **integrated formula payment rates** to provide for 3 percent per year increases in the integrated payment rates from the current rate of \$9,092 to \$9,365 during the first year of the biennium and \$9,646 for the second year of the biennium;
  - Increases formula **minimum and maximum payments**;
  - Removes the .003 **PowerSchool weighting factor**;
  - Removes the .20 **crossborder weighting factor**;
  - Decreases the **migrant weighting factor** from 1.00 to .60 by combining it with the **summer education** factor;
  - Increases the **English language learner weighting factors** from .30 to .33 for level I students and from .20 to .22 for level II students for the 2015-17 biennium and to .40 for level I students and .28 for level II students effective July 1, 2017;
  - Adds an additional **school district size weighting factor** of 1.36 for high school districts with an average daily membership less than 110.
- Limits funding provided from the strategic investment and improvements fund for **school construction loans** to amounts provided during the 2013-15 biennium.
- Requires **regional education associations** meet the requirements of a review process to be eligible for state funding.
- Requires the Superintendent of Public Instruction develop an electronic survey to be used by the **Education Standards and Practices Board** at the conclusion of all interactions with individuals seeking information or services from the board. The board must compile the responses and provide reports regarding the results to an interim committee designated by the Legislative Management.
- Provides the Superintendent of Public Instruction must distribute \$1 million for **English language learner grants** to the four school districts that serve the largest number of first and second level English language learners in K-12.
- Authorizes the Superintendent of Public Instruction to use any **funds that remain in the integrated formula payments line item for the 2013-15 biennium**, to:
  - Enhance the delivery and the participation of students and teachers in advanced placement courses (\$1,252,627);
  - Contract with a research institution in the state to study the impact of early childhood education provider grants (\$200,000);
  - Provide a review process for regional education associations (\$50,000);

Provide grants to foster the creation of open curricular and instructional materials, including textbooks utilized in required course offerings as set forth in Section 15.1-21-02 (\$100,000).

- Provides the unexpended amount remaining from the transfer of \$250,000 from the 2011-13 biennium, as permitted in Section 61 of Chapter 13 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium, for the purpose of continuing the grant to an institution implementing a certificate program that prepares individuals with **autism spectrum disorder** for employment in the technology sector.
- Provides the Superintendent of Public Instruction serve as the chairman of a **School District Reporting Review Committee**. During the 2015-16 interim, the committee must review statutory and regulatory reporting requirements imposed upon school districts, to identify and eliminate reporting requirements that are duplicative or unnecessary and streamline the reporting process.
- Requires the Legislative Management study **K-12 content standards and assessments**.
- Provides the Legislative Management consider studying the nature and scope of **career and technical education opportunities** available to students in the state, the manner in which such opportunities are financially supported, and the manner in which such opportunities are monitored to ensure that they provide students with technical skills that are aligned to industry standards.
- Provides the Legislative Management consider studying **teacher training programs** in the state, including requirements for admission into a program, the requisite course of study, student teaching opportunities, and mentoring for new teachers.

**Foundation aid stabilization fund transfers - School construction assistance loan fund and scholarship endowment fund** - The Legislative Assembly approved Senate Concurrent Resolution No. 4003, which proposes a constitutional amendment to allow the Legislative Assembly to appropriate or transfer the principal balance of the foundation aid stabilization fund in excess of 15 percent of the general fund appropriation for state school aid for the most recently completed biennium for education-related purposes. In addition, the Legislative Assembly approved Senate Bill No. 2039 which:

- Establishes a scholarship endowment fund;
- Establishes a school construction assistance loan fund as a revolving loan fund;
- Provides, contingent on the approval of the provisions of Senate Concurrent Resolution No. 4003 by the voters, for transfers from the foundation aid stabilization fund to the school construction assistance loan fund (the lesser of \$200 million or 50 percent of the balance of the fund) and to the scholarship endowment fund (the lesser of \$200 million or 50 percent of the balance of the fund);
- Provides, contingent on the approval of the provisions of Senate Concurrent Resolution No. 4003 by the voters, any accessible funds that remain in the foundation aid stabilization fund, after completion of the required transfers to other funds, must be used for educational purposes, including state aid to school districts and educationally-related property tax relief to school district patrons;
- Amends criteria for school district construction project approval by the Superintendent of Public Instruction;
- Authorizes, contingent on the approval of the provisions of Senate Concurrent Resolution No. 4003 by the voters, the Bank of North Dakota to use up to \$200 million from the school construction assistance loan fund for school construction loans and establishes loan eligibility requirements and project prioritization. The total of all loans may not exceed \$100 million prior to July 1, 2018; and
- Transfers \$150 million, provided from the strategic investment and improvements fund for school construction loans during the 2013-15 biennium, to the school construction assistance loan fund and provides for the deposit of all interest and other earnings of the fund, including principal repayments of loans made from the fund, to be deposited in the construction assistance loan fund.

**Mental health training in school districts - Report to Legislative Management** - Senate Bill No. 2048 requires the Education Standards and Practices Board to ensure that applicants for teacher licensure demonstrate competency in youth mental health. In addition, the bill also requires school districts to provide a minimum of eight hours of training on youth mental health to elementary, middle, and high school teachers and administrators once every two years and encourage ancillary and support staff to participate in the training. School districts must report the outcome of the training to the Department of Public Instruction. The Superintendent of Public Instruction must collaborate with regional education associations to disseminate information, training materials, and notice of training opportunities to school districts and nonpublic schools. During the 2015-16 interim, the department must compile information on mental health training provided by school districts and determine the feasibility and effect of the youth mental health training. Before July 1, 2016, the department must provide a report to the Legislative Management regarding mental health training provided by school districts.

**School construction loan interest rate buydown** - Senate Bill No. 2178 includes similar provisions as Senate Bill No. 2039 relating to school district construction project approval, eligibility for school construction loans, and the authorization of funds from the Bank of North Dakota for school construction loans. In addition, Senate Bill No. 2178 provides the Bank of North Dakota may make available up to \$250 million to eligible school districts for school construction loans, creates a school construction loan interest rate buydown program administered by the Bank, and provides for a transfer of \$7,875,000 from the Bank's profits for school construction loan interest buydowns. The total of all loans provided by the Bank may not exceed \$125 million during the first year of the 2015-17 biennium.

**Early childhood education** - Senate Bill No. 2151 appropriates \$3 million from the general fund to the Department of Commerce for early childhood education grants and requires the Superintendent of Public Instruction implement a uniform system for the accounting, budgeting, and reporting of data by any early childhood education providers receiving the Department of Commerce early childhood grants.