

**Department 250 - State Library
Senate Bill No. 2013**

Executive Budget Comparison to Prior Biennium Appropriations

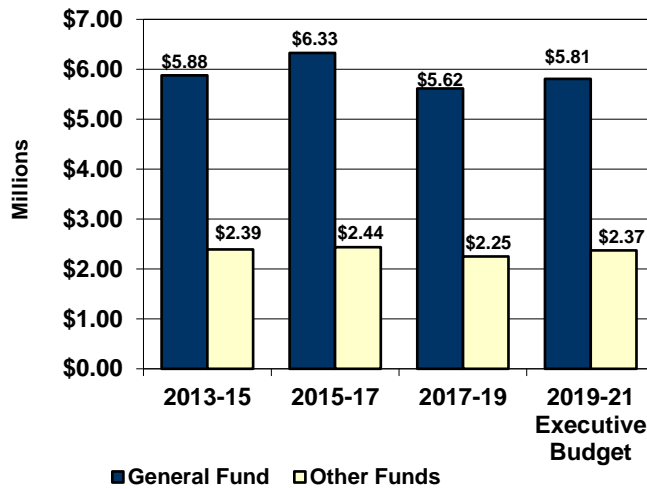
	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	27.75	\$5,807,726	\$2,371,469	\$8,179,195
2017-19 Legislative Appropriations ¹	28.75	5,618,301	2,247,560	7,865,861
Increase (Decrease)	(1.00)	\$189,425	\$123,909	\$313,334

¹The 2017-19 biennium agency appropriation amounts have not been adjusted for additional special funds authority of \$124,500 resulting from Emergency Commission action during the 2017-19 biennium.

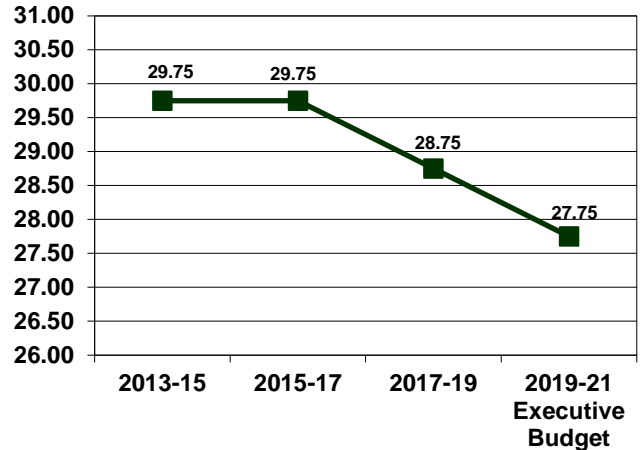
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$5,807,726	\$0	\$5,807,726
2017-19 Legislative Appropriations	5,618,301	0	5,618,301
Increase (Decrease)	\$189,425	\$0	\$189,425

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$5,807,726	\$2,371,469	\$8,179,195
2019-21 Base Level	5,618,301	2,247,560	7,865,861
Increase (Decrease)	\$189,425	\$123,909	\$313,334

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$164,521 is for salary increases, \$113,371 is for health insurance increases, and \$21,432 is for retirement contribution increases	\$266,447	\$32,877	\$299,324
2. Adjusts base payroll	\$29,959	(\$58,654)	(\$28,695)
3. Removes 2 FTE library associate I positions	(\$280,915)	\$0	(\$280,915)
4. Adds 1 FTE librarian III position	\$181,278	\$0	\$181,278
5. Adjusts funding for operating expenses	(\$29,959)	\$25,186	(\$4,773)
6. Adds funding for Microsoft Office 365 licensing expenses	\$22,615	\$0	\$22,615
7. Adds federal funding authority for a youth coding skills grant	\$0	\$124,500	\$124,500

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in Attached Appendix)**

State aid to public libraries - Section 10 would provide that of the \$1,737,582 provided for aid to public libraries, no more than one half may be spent during the 1st year of the biennium.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

There were no significant audit findings for this agency.

Major Related Legislation

At this time, no major related legislation has been introduced affecting this agency.

State Library - Budget No. 250
Senate Bill No. 2013
Base Level Funding Changes

Executive Budget Recommendation

	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	28.75	\$5,618,301	\$2,247,560	\$7,865,861
2019-21 Ongoing Funding Changes				
Base payroll changes		\$29,959	(\$58,654)	(\$28,695)
Salary increase		146,450	18,071	164,521
Health insurance increase		100,919	12,452	113,371
Retirement contribution increase		19,078	2,354	21,432
Removes 2 FTE library associate I positions	(2.00)	(280,915)		(280,915)
Adds 1 FTE librarian III position	1.00	181,278		181,278
Adjust funding for operating expenses		(29,959)	25,186	(4,773)
Adds funding for Microsoft Office 365 licensing expenses		22,615		22,615
Adds federal funding authority for a youth coding skills grant			124,500	124,500
Total ongoing funding changes	(1.00)	\$189,425	\$123,909	\$313,334
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(1.00)	\$189,425	\$123,909	\$313,334
2019-21 Total Funding	27.75	\$5,807,726	\$2,371,469	\$8,179,195

Other Sections for State Library - Budget No. 250

Executive Budget Recommendation

State aid to public libraries

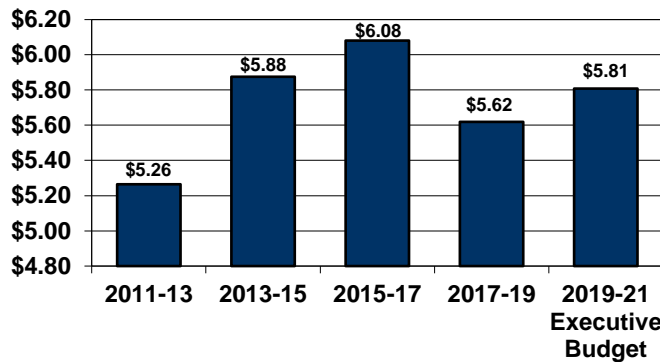
Section 10 would provide that of the \$1,737,582 provided for aid to public libraries, no more than one half may be spent during the 1st year of the biennium.

Department 250 - State Library

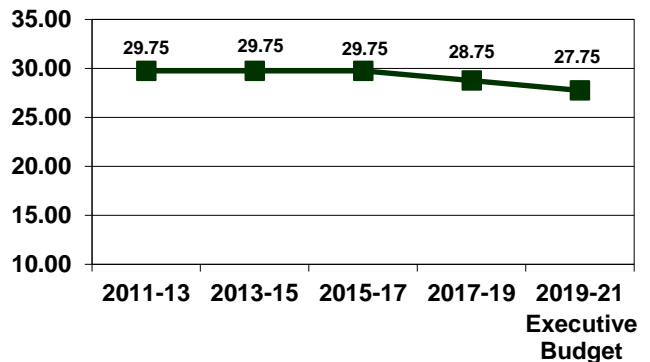
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Agency Funding (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$5,263,975	\$5,875,988	\$6,079,981	\$5,618,301	\$5,807,726
Increase (decrease) from previous biennium	\$612,947	\$612,013	\$203,993	(\$461,680)	\$189,425
Percentage increase (decrease) from previous biennium	N/A	11.6%	3.5%	(7.6%)	3.4%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	11.6%	15.5%	6.7%	10.3%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

1. Increased state aid to libraries to provide a total of \$1,766,500 \$266,500

2015-17 Biennium (Original Amount)

1. Increased state aid to libraries to provide a total of \$2,133,000 from the general fund (This funding was reduced as part of the general fund budget reductions approved in August 2016.) \$366,500

2017-19 Biennium

1. Restored salaries and wages funding reductions during the 2015-17 biennium \$61,341
2. Removed 1 FTE education program administrator II position (\$142,296)
3. Reduced funding for online library resources (\$182,239)
4. Reduced funding for state aid to libraries to provide a total of \$1,737,528 from the general fund (\$295,472)

2019-21 Biennium (Executive Budget Recommendation)

1. Removes 2 FTE library associate I positions (\$280,915)
2. Adds 1 FTE librarian III position \$181,278
3. Adjusts funding for operating expenses (\$29,959)

**GOVERNOR'S RECOMMENDATION FOR THE
DEPARTMENT OF PUBLIC INSTRUCTION AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. 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, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$17,439,176	\$773,885	\$18,213,061
Operating Expenses	30,165,005	5,279,942	35,444,947
Integrated Formula Payments	1,750,204,163	300,498,160	2,050,702,323
Grants-Special Education	19,300,000	5,700,000	25,000,000
Grants-Transportation	55,400,000	-	55,400,000
Grants-Other Grants	254,062,705	33,000,000	287,062,705
Grants-Program Grants	6,210,000	4,279,711	10,489,711
Grants-Passthrough Grants	2,898,000	(359,871)	2,538,129
PowerSchool	5,500,000	(5,500,000)	-
Transportation Efficiency	30,000	(3,000)	27,000
National Board Certification	120,000	(12,000)	108,000
Total all funds	<u>\$2,141,329,049</u>	<u>\$343,656,827</u>	<u>\$2,484,985,876</u>
Less estimated income	891,047,065	46,442,327	937,489,392
Total general fund	<u>\$1,250,281,984</u>	<u>\$297,214,500</u>	<u>\$1,547,496,484</u>
Full-time equivalent positions	91.75	(3.00)	88.75

Subdivision 2.

STATE LIBRARY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,152,758	\$170,992	\$4,323,750
Operating Expenses	1,604,075	17,842	1,621,917
Grants	<u>2,109,028</u>	<u>124,500</u>	<u>2,233,528</u>
Total all funds	\$7,865,861	\$313,334	\$8,179,195
Less estimated income	<u>2,247,560</u>	<u>123,909</u>	<u>2,371,469</u>
Total general fund	\$5,618,301	\$189,425	\$5,807,726
Full-time equivalent positions	28.75	-1.00	27.75

Subdiviion 3.

SCHOOL FOR THE DEAF

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,588,749	\$305,053	\$7,893,802
Operating Expenses	2,026,543	(320,957)	1,705,586
Capital Assets	158,678	270,000	428,678
Grants	<u>180,000</u>	<u>(140,000)</u>	<u>40,000</u>
Total all funds	\$9,953,970	\$114,096	\$10,068,066
Less estimated income	<u>3,198,444</u>	<u>(497,636)</u>	<u>2,700,808</u>
Total general fund	\$6,755,526	\$611,732	\$7,367,258
Full-time equivalent positions	45.61	-2.00	43.61

Subdivision 4.

NORTH DAKOTA VISION SERVICES – SCHOOL FOR THE BLIND

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,660,995	\$299,975	\$4,960,970
Operating Expenses	773,206	42,615	815,821
Capital Assets	<u>39,192</u>	<u>260,500</u>	<u>299,692</u>
Total all funds	\$5,473,393	\$603,090	\$6,076,483
Less estimated income	<u>1,214,747</u>	<u>116,877</u>	<u>1,331,624</u>
Total general fund	\$4,258,646	\$486,213	\$4,744,859
Full-time equivalent positions	28.50	(0.60)	27.90

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general Fund	\$1,266,914,457	\$298,501,873	\$1,565,416,330
Grant total special funds	<u>897,707,816</u>	<u>46,543,110</u>	<u>943,893,290</u>
Grand total all funds	\$2,164,622,273	\$345,044,983	\$2,509,309,620

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH

LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
DEPARTMENT OF PUBLIC INSTRUCTION		
Regional education association merger grants	\$100,000	\$0
ND governor's school science, technology, engineering and mathematics programs	220,000	0
Integrated formula payments	185,000,000	0
Cyber security science	-	3,000,000
Foreign language standards	-	125,000
On-time funding	-	24,135,735
Formula re-write	-	200,000
Total department of public instruction - all fund	<u>\$185,320,000</u>	<u>\$27,460,735</u>
Total department of public instruction - special funds	<u>185,320,000</u>	<u>24,135,735</u>
Total department of public instruction - general fund	-	3,325,000

RESOURCE CENTER FOR THE DEAF AND HARD OF HEARING

Extraordinary repairs	\$675,000	250,000
Equipment	28,000	-
Video equipment and software	30,000	-
Kitchen dishwashing unit	0	\$20,000
Total school for the deaf - special funds	<u>\$733,000</u>	<u>\$270,000</u>

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

Special Assessments payoff	\$10,000	0
Heating and cooling upgrade	35,500	0
Water line replacement	60,000	0
Carpet and reception upgrade	30,000	0
Repair west wing roof	0	39,000
Miscellaneous repairs	0	18,500
Garage door replacement	0	16,000
Remodel daily living skills area	0	25,000
Adaptive technology equipment	0	20,000

Replace gymnasium floor	0	42,000
Remodel south wing restrooms	0	120,000
Total school for the blind special funds	\$135,500	\$280,500
Grand total - all funds	\$186,188,500	\$28,011,235
Grand total - estimated income	\$186,188,500	24,686,235
Grand total - general fund	\$0	\$3,325,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The Department of Public Instruction, Resource Center for the Deaf and Hard of Hearing, and North Dakota vision services - school for the blind shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. 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 ~~one hundred sixteen thousand nine hundred three dollars through June 30, 2016~~ one hundred twenty-five thousand two hundred twenty-six dollars through June 30, 2019 and ~~one hundred twenty thousand four hundred ten dollars~~ one hundred twenty-seven thousand seven hundred thirty-one dollars thereafter.

SECTION 4. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$379,764,000, included in the integrated formula payments line item in subdivision 1 of section 1 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, 2019, and ending June 30, 2021.

SECTION 5. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the integrated formula payments and grants - special education contracts line items in subdivision 1 of section 1 of this Act in payment of grants for educational services that were due in the 2017-19 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2019.

SECTION 6. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING - DISTRIBUTION.

1. The sum of \$800,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, must be distributed 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.

2. 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 superintendent of public instruction to the department of human services on behalf of the school district or unit.

SECTION 7. REGIONAL EDUCATION ASSOCIATIONS - GRANTS. During the 2019-21 biennium, the superintendent of public instruction shall expend up to \$500,000 from the integrated formula payments line item in subdivision 1 of section 1 of this Act for the purpose of providing annual grants to regional education associations.

SECTION 8. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION. The sum of \$125,000, or so much of the sum as may be necessary, included in the grants - other grants line item in subdivision 1 of section 1 of this Act is provided for continuing education grants, for the biennium beginning July 1, 2019, and ending June 30, 2021.

1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to eligible recipients in chronological order, based on the date of an individual's application. An eligible recipient must:
 - a. (1) Be licensed to teach by the education standards and practices board;
 - (2) Have taught in this state during each of the last three school years; and
 - (3) Be enrolled at an institution of higher education in this state in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership;
 - b. Be pursuing the requirements for a certificate in career development facilitation; or
 - c. Be pursuing a school counselor credential.
2. If any of the amount appropriated for this purpose remains after the superintendent of public instruction has awarded grants to all eligible recipients, the superintendent shall distribute that amount as an additional per student payment on a prorated basis, according to the latest available average daily membership of each school district.

SECTION 9. INDIRECT COST ALLOCATION. Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account.

SECTION 10. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in subdivision 2 of section 1 of this Act includes \$1,737,582 for aid to public libraries, of which no more than one-half is to be expended during the fiscal year ending June 30, 2020.

SECTION 11. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT

PROGRAM. The grants line item contained in subdivision 3 of section 1 of this Act is for the purpose of providing grants to assist institutions under the control of the state board of higher education with the cost of interpreters and real-time captioning for students who are deaf or hard of hearing, for the biennium beginning July 1, 2019, and ending June 30, 2021. Moneys appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed pursuant to the provisions of this section:

1. The school for the deaf shall develop a formula to determine the grant amount for which an institution is eligible. The formula must be based on a uniform hourly reimbursement.
2. To obtain a grant under this section, an institution shall submit to the school for the deaf, at the time and in the manner directed by the school, invoices showing the amount expended for interpreters and real-time captioning for students who are deaf or hard of hearing.
3. The school for the deaf may not distribute more than fifty percent of the amount appropriated during the first year of the biennium.
4. If any grant moneys remain undistributed at the end of the biennium, the school for the deaf shall provide additional prorated grants to institutions that incurred, during the biennium, hourly expenses in excess of the formula reimbursement level.
5. At the request of an institution under the control of the state board of higher education, the school for the deaf shall consult with the institution and provide advice regarding the provision of services most appropriate to meet a student's needs.

SECTION 12. STATE SCHOOL AID PROGRAM. The sum of \$2,050,702,323 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act was calculated with the following assumption: Per student payment rates are \$9,839 for the 2019-20 academic year and increase to \$10,036 for the 2020-21 academic year.

SECTION 13. GRANTS – OTHER GRANTS. The line item entitled grants-other grants in subdivision 1 of section 1 of this Act contains pass-through grants, of which no more than one-half of the funding is to be expended during the fiscal year ending June 30, 2018.

SECTION 14. CONTINGENT APPROPRIATION – DEPARTMENT OF PUBLIC INSTRUCTION – STUDENT CONTRACTS AND TEACHER INCENTIVES FOR LEADERSHIP IN EDUCATION. 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 biennium beginning July 1, 2017, and ending June 30, 2019, the superintendent shall:

1. Use the funds to pay any state obligations in excess of the amount appropriated for grants-special education contracts for the biennium beginning July 1, 2017 and ending June 30, 2019.
2. Up to \$10,000,000 of any remaining funds is to be used for the creation of the Teacher Incentives for Leadership in Education (TILE) program. TILE dollars must be invested in professional development or used to provide project-based incentives for current teachers, providing career track opportunities for teacher leaders.

SECTION 15. TRANSFER. The office of management and budget shall transfer, on a quarterly basis, a total of \$232,781,065 from the foundation aid stabilization fund to the operating fund of the department of public instruction for the purpose of covering expenses in the integrated formula payment line in subdivision 1 of section 1 of this Act, for the period beginning with the effective date of this Act and ending June 30, 2021.

SECTION 16. AMENDMENT. Section 15-10-38 of the North Dakota Century Code is amended and reenacted as follows:

15-10-38. Loans - Teacher shortages - Loan forgiveness.

1. The ~~state board of higher education~~ superintendent of public instruction shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need. The ~~board~~ superintendent of public instruction may approve loan forgiveness for no more than two teachers per year in a school district. The ~~board~~ superintendent of public instruction shall adopt rules to implement the program.
2. The superintendent of public instruction annually shall identify grade levels, content areas, and geographical locations in which a teacher shortage or critical need exists.
3. To be eligible for loan forgiveness under this section, an individual: a. Must have graduated from an accredited teacher preparation program and signed a contract to teach at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as having an existing teacher shortage or critical need; and b. Must have an existing student loan.
4. For purposes of this section, the definitions of rural school district and remote town school district have the same meaning as the definitions under the national center for education statistics locale codes.
5. If an individual is receiving loan forgiveness under any other provision, the individual may not receive loan forgiveness under this section during the same application year.
6. An eligible individual may receive loan forgiveness under the program as follows: a. If the individual accepts one of up to five positions of critical need in a nonrural school district or nonremote town school district, the individual may receive up to three thousand dollars per year for a maximum of four years. b. If the individual accepts a position in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to four thousand five hundred dollars per year for a maximum of four years. c. If the individual accepts one of up to five positions of critical need in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to six thousand five hundred dollars per year for a maximum of four years.
7. The superintendent of public instruction shall consider all applications under this section based on the number of unfilled school vacancies, prioritized by critical need and geographic location.
8. Upon notification the individual has completed a full year of teaching in a school district, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as one in which a teacher shortage or critical need exists, the ~~board~~ superintendent of public instruction shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The ~~board~~ superintendent of public instruction shall terminate loan forgiveness payments to eligible individuals when the loan principal balance of the eligible individual is paid in full.

SECTION 17. AMENDMENT. Section 15.1-27-04.1 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-04.1. Baseline funding – Establishment – Determination of state aid.

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
 - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2012-13 school year;
 - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;

- c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
- d. An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
- e. An amount equal to that raised by the district's 2012 alternative education program levy; and
- f. An amount equal to:
 - (1) Seventy-five percent of all revenue received by the school district and reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (2) Seventy-five percent of all mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and Page No. 4 reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (3) Seventy-five percent of all tuition received by the school district and reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility and tuition received for the provision of an adult farm management program;
 - (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
 - (5) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
 - (6) All revenue received by the school district from mobile home taxes;
 - (7) Seventy-five percent of all revenue received by the school district from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3);
 - (8) All telecommunications tax revenue received by the school district; and
 - (9) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit.

2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units to determine the district's baseline funding per weighted student unit.

3. If a school district is in an approved cooperative agreement under chapter 15.1-27-16, their baseline funding shall be recalculated using their baseline funding per weighted student unit established in 15.1-27-04.1(2) multiplied by the weighted student units in 2012-13 school year for the grade levels the school district currently offers beginning in the 2020-21 school year.

~~34. a. In 2017-18~~2019-20, the superintendent shall multiply the district's weighted student units by ~~nine thousand six hundred forty six~~nine thousand eight hundred thirty-nine dollars.

(1) The superintendent shall adjust the product to ensure the product is at least equal to the greater of:

(a) One hundred eight percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year multiplied by ninety percent; or

(b) ~~One hundred~~Ninety percent of the district's baseline funding as established in subsection 1.

(2) The superintendent also shall adjust the product to ensure the product does not exceed one hundred ~~forty-five~~percent of the district's baseline funding per weighted student unit multiplied by the district's weighted student units from the previous school year, as established in subsection 2.

b. In ~~2018-19~~2020-21, the superintendent shall multiply the district's weighted student units by ~~nine thousand six hundred forty-six~~ ten thousand thirty-six dollars.

(1) The superintendent shall adjust the product to ensure the product is at least equal to the greater of:

(a) One hundred eight percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year multiplied by ninety percent; or

(b) ~~One hundred~~Ninety percent of the district's baseline funding as established in subsection 1.

(2) The superintendent also shall adjust the product to ensure the product does not exceed one hundred ~~forty~~fifty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.

—45. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:

a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, except the amount in dollars subtracted for purposes of this Page No. 5 subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent; and

b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1.

56. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.

SECTION 18. AMENDMENT. Section 15.1-37-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-37-05. Early childhood education providers - Coalition - Eligibility.

1. The superintendent of a school district shall invite all public and private providers of early childhood education services within the district to meet, in order to:

a. Initiate the identification of all available options for cost-effectively maximizing the provision of early childhood education services within the district;

b. Address the coordinated utilization of facilities, personnel, and transportation, for the provision of early childhood education services within the district; and

c. (1) Form a coalition of early childhood education service providers; and

(2) Provide for the selection of a coalition governing board.

2. The board of the school district in which the coalition of service providers is located shall provide advice and guidance to the coalition in all matters pertaining to this section through section 15.1-37-08.

3. Any early childhood service provider who agrees to participate in the coalition or on its governing board may submit an application to the ~~department of commerce~~superintendent of public instruction for a grant under this section, provided the governing board certifies to the ~~department~~superintendent that the provider:

- a. Is a participating member in the coalition or on the governing board.
- b. Operates an early childhood education program that:
 - (1) Is approved in accordance with section 15.1-37-01; and
 - (2) Incorporates within its curriculum at least ten hours of research-based parental involvement.
- c. Has documented the provider's willingness to admit children of all learning abilities into the early childhood education program.

SECTION 19. AMENDMENT. Section 15.1-37-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-37-06. Receipt and distribution of grants – Notification.

1. a. The ~~department of commerce~~superintendent of public instruction shall receive applications for and distribute grants under this section to eligible members, including governing board members, of a consortium formed in accordance with section 15.1-37-05, in the amount of two thousand dollars for each child enrolled in a program of early childhood education, if the child is eligible for free lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751, et seq.], and one thousand dollars for each child enrolled in a program of early childhood education, if the child is eligible for reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751, et seq.], provided: (1) The child is a resident of this state; (2) The child has reached four years of age before August first in the year of enrollment; and (3) The program has a duration of at least four hundred hours over a period of at least thirty-two consecutive weeks. b. A child enrolled in a federally funded head start program may not be counted for the purpose of determining grant eligibility under this section. 2. a. Once each calendar quarter, at the time and in the manner required by the ~~department of commerce~~superintendent of public instruction, any provider receiving a grant under this section shall forward to the parent of each child receiving services a notice indicating the total amount of the grant that was awarded to the provider for the quarter, the pro rata amount attributable to the parent's child, and the source of the grant. The ~~department of commerce~~superintendent of public instruction shall standardize the notification required by this subdivision. b. If a provider fails to meet the notification requirements of this subsection, the ~~department of commerce~~superintendent of public instruction shall reduce the amount of the provider's next grant payment by fifty percent. If a provider fails to meet the notification requirements of this section a second time, the ~~department of commerce~~superintendent of public instruction shall determine that the provider is ineligible to participate in the grant program for a period of one year.

SECTION 20. AMENDMENT. Section 15.1-37-08 of the North Dakota Century Code is amended and reenacted as follows:

15.1-37-08. Data collection - Requirements.

The superintendent of public instruction, ~~with the advice and consent of the department of commerce,~~ shall implement a uniform system for the accounting, budgeting, and reporting of data by any early childhood education provider to whom or to which grants are distributed in accordance with section 15.1-37-06. Grants may be withheld or forfeited, in whole or in part, if information required in accordance with this section is not submitted at the time or in the manner requested by the superintendent.

SECTION 21. GRANTS - SPECIAL EDUCATION DEFICIENCY AUTHORIZATION. If funds provided to the superintendent of public instruction in subdivision 1 of section 1 of this Act for grants - special education, for the biennium beginning July 1, 2019, and ending June 30, 2021, are not sufficient to meet special education contract obligations, the superintendent of public instruction shall request supplemental funding from the sixty-sixth legislative assembly.