

Fifty-sixth
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2162

Introduced by

Education Committee

(At the request of the Office of Management and Budget)

1 A BILL for an Act to provide for the reimbursement of certain reorganized districts and for
2 guaranteed increases in per student payments; to create and enact a new section to chapter
3 15-29 of the North Dakota Century Code, or in the alternative to create and enact a new section
4 to chapter 15.1-09 of the North Dakota Century Code, and two new sections to chapter 15-40.1
5 of the North Dakota Century Code, relating to the joint employment of school district
6 superintendents, contingent per student payments, and proportionate payments for summer
7 school programs; to amend and reenact sections 15-40.1-06, 15-40.1-07, 15-40.1-07.3,
8 15-40.1-08, subsection 1 of section 57-15-14.2, and section 57-15-17.1 of the North Dakota
9 Century Code, relating to educational support per student and payment factors; to provide for a
10 legislative council study; to provide an appropriation; and to declare an emergency.

11 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

12 **SECTION 1.** If House Bill No. 1034 does not become effective, a new section to
13 chapter 15-29 of the North Dakota Century Code is created and enacted as follows:

14 **School district superintendent - Joint employment - Accreditation.** The
15 superintendent of public instruction may not impose through the accreditation process any
16 penalties or sanctions on a school district for employing a superintendent jointly with one or
17 more other districts.

18 **SECTION 2. AMENDMENT.** Section 15-40.1-06 of the 1997 Supplement to the North
19 Dakota Century Code is amended and reenacted as follows:

20 **15-40.1-06. Declaration of legislative intent - Educational support per student -**
21 **School district equalization factor - Limitations.**

22 1. It is the intent of the legislative assembly, ~~not considering any separate and~~
23 ~~supplemental payments as may be provided by law,~~ to support elementary and
24 secondary education in this state from state funds based on the educational cost

per student. For purposes of this section, state funds include all appropriations for foundation aid, tuition apportionment, supplemental per student payments, special education, vocational education, transportation aid, school district technology, the governor's school, teacher centers, and the leadership in educational administration development consortium. In determining the educational cost per student, the following criteria may not be used:

- a. Expenditures for capital outlay for buildings and sites, or debt service.
- b. Expenditures from school activities and school lunch programs.
- ~~e. Expenditures for the cost of transportation, including the cost of school buses.~~

- 2. a. The educational support per student during the first year of the ~~1997-99~~ 1999-2001 biennium must be ~~one thousand nine hundred fifty four two~~ thousand one hundred thirty-nine dollars and for the second year of the ~~1997-99~~ 1999-2001 biennium the educational support per student must be ~~two thousand thirty two~~ two thousand two hundred ten dollars and is the basis for calculating grants-in-aid on a per student basis as provided in sections 15-40.1-07 and 15-40.1-08.
- b. The superintendent of public instruction shall monitor student enrollments. If the superintendent determines that the student enrollment figures warrant an adjustment in the amount of educational support per student set forth in subdivision a, the superintendent shall make an adjustment and reflect the adjustment in the March foundation aid payment, the April foundation aid payment, and in the final remaining foundation aid payment distributed before June thirtieth of each year, as provided for in section 15-40.1-05.
- c. School districts operating high schools not meeting the minimum curriculum as provided in section 15-41-24 or the teacher qualifications in section 15-41-25 must be supported in the amount of two hundred twenty dollars, which is the basis for calculating grants-in-aid on a per student basis as provided in section 15-40.1-07.
- ~~e.~~ d. School districts operating high schools that are not accredited pursuant to the accreditation standards adopted by the superintendent of public instruction on July 1, 1991, or that become unaccredited in any succeeding school year

1 must be supported for the ~~1991-92 school year or for the~~ first year that they
2 become unaccredited in the amount of the educational support per student
3 established in subdivision a, which is the basis for calculating grants-in-aid on
4 a per student basis as provided in section 15-40.1-07, but those school
5 districts are not entitled to the amounts resulting from applying the factors in
6 that section. The amount of aid a school district is entitled to under this
7 subsection for each high school that is not accredited must be reduced by two
8 hundred dollars times the number of students in the school for the second
9 school year that the high school is unaccredited, and an additional two
10 hundred dollars per student in the unaccredited school for each additional
11 year the school remains unaccredited. Any high school that becomes
12 accredited is entitled to the per student payments provided for in section
13 15-40.1-07 for the entire school year in which the school becomes accredited.

14 ~~e.~~ e. School districts operating elementary schools that are not accredited pursuant
15 to the accreditation standards adopted by the superintendent of public
16 instruction on July 1, 1992, or that become unaccredited in any succeeding
17 school year must be supported for the ~~1992-93 school year or for the~~ first
18 year that they become unaccredited in the amount of the educational support
19 per student established in subdivision a, which is the basis for calculating
20 grants-in-aid on a per student basis as provided in section 15-40.1-08, except
21 that the amount of aid that a school district is entitled to under this subsection
22 for each elementary school that is unaccredited must be reduced by two
23 hundred dollars times the number of students in the school each year that the
24 elementary school is unaccredited. Any elementary school that becomes
25 accredited is entitled to the per student payments provided for in section
26 15-40.1-08 for the entire school year in which the school becomes accredited.

- 27 3. In determining the amount of payments due school districts for tuition
28 apportionment provided in section 15-44-03, and per student aid under this
29 section, the amount of tuition apportionment, foundation aid, special education aid,
30 and transportation aid for which a school district is eligible must be added together,
31 and from that total, the following amounts must be subtracted:

- a. The product of thirty-two mills times the latest available net assessed and equalized valuation of property of the school district.
 - b. The amount that the unobligated general fund balance of a school district on the preceding June thirtieth is in excess of three-fourths of the actual expenditures, plus an additional twenty thousand dollars.
4. No school district may receive foundation payments beyond the October payment unless the following reports have been filed with the superintendent of public instruction:
 - a. Annual average daily membership report.
 - b. Annual school district financial report.
 - c. The September tenth fall enrollment report.
 - d. The personnel report forms for certified and noncertified employees.
 5. No school district may receive the January foundation payment unless the taxable valuation and mill levy certifications are on file with the department of public instruction by December fifteenth.

SECTION 3. AMENDMENT. Section 15-40.1-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-40.1-07. High school per student payments - Amount - Proportionate payments. Payments must be made each year from state funds to each school district operating a high school and to each school district contracting to educate high school students in a federal school, subject to adjustment as provided in section 15-40.1-09, as follows:

1. For each high school district having under seventy-five students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor 1.625 adjusted by ~~sixty-five~~ seventy-five percent of the difference between 1.625 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school students in grades nine through twelve registered in that school district, times the educational support per student as provided in section 15-40.1-06. ~~Beginning July 1, 1998, the factor is 1.625 adjusted by seventy-five percent of the difference between 1.625 and the factor~~

~~representing the five-year average cost of education per student for this category,
as determined by the superintendent of public instruction.~~

2. For each high school district having seventy-five or more, but less than one hundred fifty students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor 1.335 adjusted by ~~sixty-five~~ seventy-five percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school students in grades nine through twelve registered in that school district, times the educational support per student provided in section 15-40.1-06.

~~Beginning July 1, 1998, the factor is 1.335 adjusted by seventy-five percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~

3. For each high school district having one hundred fifty or more, but less than five hundred fifty students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor 1.24 adjusted by ~~sixty-five~~ seventy-five percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school students in grades nine through twelve registered in that school district, times the educational support per student provided in section 15-40.1-06.

~~Beginning July 1, 1998, the factor is 1.24 adjusted by seventy-five percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~

4. For each high school district having a total high school enrollment of five hundred fifty or more students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor 1.14 adjusted by ~~sixty-five~~ seventy-five percent of the difference between 1.14 and the factor representing the five-year average cost of education per student for this category,

as determined by the superintendent of public instruction, times the number of high school students in grades nine through twelve registered in that school district, times the educational support per student provided in section 15-40.1-06.

~~Beginning July 1, 1998, the factor is 1.14 adjusted by seventy five percent of the difference between 1.14 and the factor representing the five year average cost of education per student for this category, as determined by the superintendent of public instruction.~~

5. For high schools having an approved alternative education program, the amount of money resulting from multiplying the factor in:

- a. Subsection 1 times the number of students registered in the alternative education program, times the educational support per student provided in section 15-40.1-06, if the alternative education program has less than seventy-five students in average daily membership.
- b. Subsection 2 times the number of students registered in the alternative education program, times the educational support per student provided in section 15-40.1-06, if the alternative education program has seventy-five or more, but less than one hundred fifty students in average daily membership.
- c. Subsection 3 times the number of students registered in the alternative education program, times the educational support per student provided in section 15-40.1-06, if the alternative education program has one hundred fifty or more, but less than five hundred fifty students in average daily membership.
- d. Subsection 4 times the number of students registered in the alternative education program times the educational support per student as provided in section 15-40.1-06 if the alternative education program has five hundred fifty or more students in average daily membership.

Every high school district must receive at least as much in total payments as it would have received if it had the highest number of students in the next lower category. Payments may not be made unless four or more units of standard high school work approved by the superintendent of public instruction are offered during the current year, only certificated teachers have been employed, and the other standards prescribed by this chapter have been

1 met. Payments must be made to the high school district in which the student is enrolled for
2 graduation and units of approved vocational education in accordance with the provisions of
3 chapter 15-20.1, and other courses approved by the superintendent of public instruction,
4 earned in another high school district must be included to meet the minimum four required
5 units. In the case of students enrolled in nonpublic schools for graduation or students enrolled
6 in less than four units of standard high school work who are in their fourth year of high school
7 coursework and who are enrolled in approved alternative high school curriculum programs,
8 proportionate payments must be made to the public school district in which the student is
9 enrolled for specific courses. ~~School districts offering high school summer school programs are~~
10 ~~eligible for proportionate payments provided each course offered satisfies requirements for~~
11 ~~graduation, comprises at least as many clock hours as courses offered during the regular~~
12 ~~school term, and complies with rules adopted by the superintendent of public instruction. The~~
13 ~~superintendent may adopt rules regarding eligibility for school districts to receive proportionate~~
14 ~~payments for summer education programs. The proportionate payment made under this~~
15 ~~section during the biennium for high school summer school programs may not exceed one and~~
16 ~~one-half percent of the total amount appropriated by the legislative assembly for foundation aid~~
17 ~~and transportation aid during the biennium.~~

18 **SECTION 4. AMENDMENT.** Section 15-40.1-07.3 of the 1997 Supplement to the
19 North Dakota Century Code is amended and reenacted as follows:

20 **15-40.1-07.3. Per student payments - Reorganization of school districts.**

- 21 1. If any school district receiving per student payments calculated under section
22 15-40.1-07 reorganizes with another school district under chapter 15-27.3 or
23 15-27.6 before August 1, 1997, the school district resulting from the reorganization
24 is entitled to receive the same per student payments for each high school student
25 as each separate school district received for each high school student prior to the
26 reorganization, for a period of four years.
- 27 2. If any school district receiving per student payments calculated under this chapter
28 reorganizes with another school district under chapter 15-27.3 or 15-27.6 after
29 July 31, 1997, the school district resulting from the reorganization is entitled to
30 receive the same per student payments for each high school and elementary

student as each separate school district received for each high school and elementary student prior to the reorganization, for a period of four years.

3. The weighting factor for each district will be adjusted proportionately over a period of two years, following the period of time provided in subsection 1 or 2, until the adjusted weighting factor equals the weighting factor for the combined enrollment resulting from the reorganization.
4. Notwithstanding the provisions of any other law, no school district may receive less in per student payments for the first year of its reorganization than the total amount that the districts participating in the reorganization received in per student payments for the school year immediately preceding the reorganization. If less than a whole school district participated in a reorganization, the superintendent of public instruction shall prorate the payments to which the newly reorganized district is entitled under this subsection.

SECTION 5. AMENDMENT. Section 15-40.1-08 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-40.1-08. Elementary per student payments - Amount. Payments must be made from state funds to each school district operating an elementary school and to each school district contracting to educate elementary students in a federal school, employing teachers holding valid certificates or permits in accordance with section 15-47-46 and chapter 15-36, adjusted as provided in section 15-40.1-09, as follows:

1. For each one-room rural school, the amount of money resulting from multiplying the factor 1.28 adjusted by ~~sixty-five~~ seventy-five percent of the difference between 1.28 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of students in that school in grades one through eight in average daily membership, up to a maximum of sixteen students, times the educational support per student provided in section 15-40.1-06. There must be paid .9 times each additional student in its school in grades one through eight in average daily membership times the educational support per student provided in section 15-40.1-06, except that no payment may be made for more than twenty students in average daily membership. If the one-room rural school is located in a

1 school district with another elementary school, the weighting factor for the students
2 in grades one through six must be based on the average daily membership in the
3 district in grades one through six as provided in subsections 2 through 4. If the
4 one-room rural school is located in a school district with another school that has
5 students in grade seven or eight, the weighting factor for the students in grade
6 seven or eight must be the same as that provided for in subsection 5. ~~Beginning~~
7 ~~July 1, 1998, the factor is 1.28 adjusted by seventy five percent of the difference~~
8 ~~between 1.28 and the five year average cost of education per student for this~~
9 ~~category, as determined by the superintendent of public instruction.~~

10 2. For each elementary school in school districts having under one hundred students
11 in average daily membership in grades one through six, the amount of money
12 resulting from multiplying the factor 1.09 adjusted by ~~sixty five~~ seventy-five percent
13 of the difference between 1.09 and the factor representing the five-year average
14 cost of education per student for this category, as determined by the
15 superintendent of public instruction, times the number of students in that school in
16 grades one through six in average daily membership in each classroom or for each
17 teacher, times the educational support per student provided in section 15-40.1-06,
18 except that no payment may be made for more than twenty-five students in
19 average daily membership in each classroom or for each teacher. ~~Beginning~~
20 ~~July 1, 1998, the factor is 1.09 adjusted by seventy five percent of the difference~~
21 ~~between 1.09 and the five year average cost of education per student for this~~
22 ~~category, as determined by the superintendent of public instruction.~~

23 3. For each elementary school in school districts having one hundred or more
24 students in average daily membership in grades one through six, and provided the
25 districts in which such schools are located have an average daily membership of
26 less than one thousand elementary students in grades one through six, the amount
27 of money resulting from multiplying the factor .905 adjusted by ~~sixty five~~
28 seventy-five percent of the difference between .905 and the factor representing the
29 five-year average cost of education per student for this category, as determined by
30 the superintendent of public instruction, times the number of students in that
31 school in grades one through six in average daily membership in each classroom

or for each teacher times the educational support per student provided in section 15-40.1-06, except that no payment may be made for more than thirty students in average daily membership in each classroom or for each teacher. ~~Beginning July 1, 1998, the factor is .905 adjusted by seventy five percent of the difference between .905 and the five year average cost of education per student for this category, as determined by the superintendent of public instruction.~~

4. For each elementary school in school districts having an average daily membership of one thousand or more elementary students in grades one through six, the amount of money resulting from multiplying the factor .95 adjusted by ~~sixty five~~ seventy-five percent of the difference between .95 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of students in that school in grades one through six in average daily membership in each classroom or for each teacher times the educational support per student provided in section 15-40.1-06, except that no payment may be made for more than thirty students in average daily membership in each classroom or for each teacher. ~~Beginning July 1, 1998, the factor is .95 adjusted by seventy five percent of the difference between .95 and the five year average cost of education per student for this category, as determined by the superintendent of public instruction.~~
5. For each of the above classes of elementary schools, except for one-room rural schools that are not located in a district with another school having students in grade seven or eight, there must be paid to each school the amount of money resulting from multiplying the factor 1.01 adjusted by ~~sixty five~~ seventy-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of students in that school in grades seven and eight in average daily membership in each classroom or for each teacher times the educational support per student provided in section 15-40.1-06, except that no payment may be made for more than thirty students in average daily membership in each classroom or for each teacher. ~~Beginning July 1, 1998, the factor is 1.01 adjusted by seventy five percent of the difference~~

~~between 1.01 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~

6. For each elementary school having students under the compulsory age for school attendance, but not less than three years of age, in a special education program approved by the director of special education, the amount of money resulting from multiplying the factor 1.01 adjusted by ~~sixty-five~~ seventy-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of special education students in that school under the compulsory age for school attendance in average daily membership in each classroom or for each teacher times the educational support per student provided in section 15-40.1-06. ~~Beginning July 1, 1998, the factor is 1.01 adjusted by seventy-five percent of the difference between 1.01 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~

7. For each elementary school providing a kindergarten that is established according to provisions of section 15-45-01, the amount of money resulting from multiplying the factor .50 adjusted by ~~sixty-five~~ seventy-five percent of the difference between .50 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of students in that school in average daily membership in each classroom or for each teacher times the educational support per student, as provided under section 15-40.1-06, except that no payment may be made for more than twenty-five students in average daily membership in each classroom or for each teacher. The full per student payment may be made only to those kindergarten programs providing the equivalent of ninety full days of classroom instruction during any twelve-month period. Programs providing shorter periods of instruction during the same time period must receive a proportionately smaller per student payment. ~~Beginning July 1, 1998, the factor is .50 adjusted by seventy-five percent of the difference between .50 and the five-year average cost~~

~~of education per student for this category, as determined by the superintendent of
public instruction.~~

The superintendent of public instruction shall make proportionate payments to each public school district educating students who are also enrolled in nonpublic schools.

Every school district must receive at least as much in total payments for elementary students as it would have received if it had the highest number of students in the next lower category.

SECTION 6. A new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Contingent per student payments. If any funds appropriated by the legislative assembly to the grants-foundation aid and transportation line item remain after completion of the April first distribution in each odd-numbered year as provided for by section 15-40.1-05, the superintendent of public instruction shall distribute the funds as a separate and additional per student payment on a weighted basis as determined under chapter 15-40.1.

SECTION 7. A new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Summer school programs - Proportionate payments.

1. A school district that offers high school summer school programs is entitled to receive proportionate payments provided each course offered satisfies requirements for graduation, comprises at least as many clock hours as courses offered during the regular school term, and complies with rules adopted by the superintendent of public instruction.
2. A school district that offers remedial elementary summer school programs is entitled to receive proportionate payments provided the programs comply with rules adopted by the superintendent of public instruction.
3. The superintendent of public instruction may adopt rules regarding proportionate payments for remedial elementary summer school programs and high school summer school programs.
4. Proportionate payments made under this section during a biennium for summer school programs may not exceed one and one-half percent of the total amount appropriated by the legislative assembly for foundation aid and transportation aid

1 during the biennium, or eight million dollars, whichever is less. No more than
2 seventy-five percent of the amount made available under this subsection may be
3 used to support high school summer school programs and no more than
4 twenty-five percent of the amount made available under this subsection may be
5 used to support remedial elementary summer school programs.

6 **SECTION 8.** A new section to chapter 15.1-09 of the North Dakota Century Code is
7 created and enacted as follows:

8 **School district superintendent - Joint employment - Accreditation.** The
9 superintendent of public instruction may not impose through the accreditation process any
10 penalties or sanctions on a school district for employing a superintendent jointly with one or
11 more other districts.

12 **SECTION 9. AMENDMENT.** Subsection 1 of section 57-15-14.2 of the North Dakota
13 Century Code is amended and reenacted as follows:

- 14 1. A school board of any school district may levy an amount sufficient to cover
15 general expenses including the costs of the following:
- 16 a. Board and lodging for high school students as provided in section 15-34.2-06.
 - 17 b. The teachers' retirement fund as provided in section 15-39.1-28.
 - 18 c. Tuition for students in grades seven through twelve as provided in section
19 15-40.2-12.
 - 20 d. Special education program as provided in section 15-59-08.
 - 21 e. The establishment and maintenance of an insurance reserve fund for
22 insurance purposes as provided in section 32-12.1-08.
 - 23 f. A final judgment obtained against a school district.
 - 24 g. The district's share of contribution to the old-age survivors' fund and matching
25 contribution for the social security fund as provided by chapter 52-09 and to
26 provide the district's share of contribution to the old-age survivors' fund and
27 matching contribution for the social security fund for contracted employees of
28 a multidistrict special education board.
 - 29 h. The rental or leasing of buildings, property, or classroom space. Minimum
30 state standards for health and safety applicable to school building

construction shall apply to any rented or leased buildings, property, or classroom space.

- i. Unemployment compensation benefits.
- j. The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement, any remodeling required to meet specifications set by the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities as contained in the appendix to title 28, Code of Federal Regulations, part 36 [28 CFR 36], and any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school.
- k. Participating in cooperative vocational education programs approved by the state board.
- l. Maintaining a vocational education program approved by the state board and established only for that school district.
- m. Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.
- n. Establishing and maintaining school library services.
- o. Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.
- p. Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.
- q. Establishing, maintaining, and conducting a public recreation system.
- r. The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15-47-40.1.

SECTION 10. AMENDMENT. Section 57-15-17.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-17.1. Multiyear asbestos abatement and required remodeling levy by
school district.**

1. The governing body of any public school district may by resolution adopted by a two-thirds vote of the school board dedicate a tax levy for purposes of this section of not exceeding fifteen mills on the dollar of taxable valuation of property within the district for a period not longer than fifteen years. The school board may authorize and issue general obligation bonds to be paid from the proceeds of this dedicated levy for the purpose of ~~providing~~:
 - a. Providing funds for the removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any other method approved by the United States environmental protection agency and for any repair, replacement, or remodeling that results from removal or abatement of asbestos substances;
 - b. Any remodeling required to meet specifications set by the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities as contained in the appendix to title 28, Code of Federal Regulations, part 36 [28 CFR 36]; and
 - c. Any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school.
2. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsection 3, must be placed in a separate fund known as the asbestos abatement fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of asbestos abatement.
3. All revenue accruing from up to five mills of the fifteen mill levy under this section must be placed in a separate fund known as the required remodeling fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of required remodeling, as set forth in subsection 1.
4. Any moneys remaining in the asbestos abatement fund after completion of the principal and interest payments for any bonds issued for any school asbestos

abatement project and any funds remaining in the required remodeling fund after completion of the remodeling projects must be transferred to the general fund of the school district upon the order of the school board.

SECTION 11. REIMBURSEMENT - REORGANIZED DISTRICTS. In distributing per student payments for the 1997-99 biennium, the superintendent of public instruction shall ensure that no school district reorganized after June 30, 1997, and before July 1, 1999, receives less in per student payments for the first year of its reorganization than the districts participating in the reorganization received in per student payments for the school year immediately preceding the reorganization.

SECTION 12. LEGISLATIVE COUNCIL STUDY OF EDUCATIONAL EQUITY AND FUTURE EDUCATIONAL DELIVERY. The legislative council shall study the provision of education to public school students in this state and shall examine the manner in which education to public school students will be delivered in the ensuing five, ten, and twenty years. Within this study, the council shall address demographic changes as they affect equity of educational opportunities with respect to courses, facilities, and extracurricular activities; equity with respect to teacher availability and qualifications; equity with respect to the organization and administration of school districts; and taxpayer equity in both rural and urban school districts. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 13. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of financially assisting eligible school districts that have experienced declining student enrollments, for the biennium beginning July 1, 1999, and ending June 30, 2001. A district is eligible to receive payments under this section if the district's student enrollment at the conclusion of the 1998-99 school year is less than the district's student enrollment at the conclusion of the 1993-94 school year. The superintendent shall base the per student payments on the decline in student enrollments experienced by each eligible school district between the conclusion of the 1993-94 school year and the conclusion of the 1998-99 school

1 year. The superintendent shall distribute the per student payments under this section no earlier
2 than June 1, 2000, nor later than June 30, 2000.

3 **SECTION 14. APPROPRIATION.** There is hereby appropriated out of any moneys in
4 the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so
5 much of the sum as may be necessary, to the superintendent of public instruction for the
6 purpose of providing supplemental per student payments to school districts, for the biennium
7 beginning July 1, 1999, and ending June 30, 2001. The superintendent shall distribute the per
8 student payments to each school district in the state on the basis of average daily membership.
9 The superintendent shall distribute fifty percent of the moneys provided under this section
10 during the first year of the biennium and the remaining fifty percent during the second year of
11 the biennium.

12 **SECTION 15. PER STUDENT PAYMENTS - GUARANTEED INCREASE.**
13 Notwithstanding any other provisions of law, a school district that is entitled to receive per
14 student payments under chapter 15-40.1 and which levied at least ninety percent of the
15 statewide average school district general fund levy in mills for the most recent taxable year may
16 not receive for the 1999-2000 school year total per student payments in an amount less than
17 the total per student payments received by the district for the 1998-99 school year plus two
18 percent. A school district that is entitled to receive per student payments under chapter 15-40.1
19 and which levied at least ninety percent of the statewide average school district general fund
20 levy in mills for the most recent taxable year may not receive for the 2000-01 school year total
21 per student payments in an amount less than the total per student payments received by the
22 district for the 1999-2000 school year plus two percent.

23 **SECTION 16. EMERGENCY.** Section 11 of this Act is declared to be an emergency
24 measure.