

**SECOND ENGROSSMENT
with Senate Amendments**

Fifty-seventh
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1344

Introduced by

Representatives R. Kelsch, Brusegaard, Monson

Senators Krebsbach, Wardner

1 A BILL for an Act to provide for teacher mentoring and evaluation programs and for contingent
2 payments for declining enrollment; to create and enact a new section to chapter 15.1-02 and a
3 new section to chapter 15.1-09 of the North Dakota Century Code, relating to a school district
4 employee compensation report and bonuses; to amend and reenact section 15-40.1-06 of the
5 North Dakota Century Code or in the alternative to amend and reenact sections 15.1-27-04 and
6 15.1-27-05 of the North Dakota Century Code and to amend and reenact section 57-15-27 of
7 the North Dakota Century Code, relating to per student payments and ending fund balances; to
8 provide for a legislative council report; to provide an appropriation; and to provide an effective
9 date.

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

11 **SECTION 1. AMENDMENT.** If House Bill No. 1045 does not become effective, section
12 15-40.1-06 of the 1999 Supplement to the North Dakota Century Code is amended and
13 reenacted as follows:

14 **15-40.1-06. Declaration of legislative intent - Educational support per student -**
15 **School district equalization factor - Limitations.**

16 1. It is the intent of the legislative assembly to support elementary and secondary
17 education in this state from state funds. For purposes of this section, state funds
18 include all appropriations for foundation aid, tuition apportionment, supplemental
19 per student payments, special education, vocational education, transportation aid,
20 school district technology, the governor's school, teacher centers, and the
21 leadership in educational administration development consortium. For purposes of
22 distributing state funds, the superintendent of public instruction shall determine the
23 educational cost per student. In determining the educational cost per student, the
24 superintendent may not use:

- 1 a. Expenditures for capital outlay for buildings and sites, or debt service.
- 2 b. Expenditures from school activities and school lunch programs.
- 3 c. Expenditures for the cost of transportation, including the cost of schoolbuses.
- 4 2. a. The educational support per student ~~during for~~ for the first year of the ~~1999-2001~~
5 2001-03 biennium must be is two thousand ~~one~~ four hundred ~~forty-five~~
6 twenty-seven dollars ~~and~~. The educational support per student for the
7 second year of the ~~1999-2001~~ 2001-03 biennium ~~the educational support per~~
8 ~~student must be is~~ two thousand ~~two~~ four hundred ~~thirty~~ ninety dollars ~~and~~.
9 The educational support per student is the basis for calculating grants-in-aid
10 on a per student basis as provided in sections 15-40.1-07 and 15-40.1-08.
- 11 b. School districts operating high schools not meeting the minimum curriculum
12 as provided in section 15-41-24 or the teacher qualifications in section
13 15-41-25 must be supported in the amount of two hundred twenty dollars,
14 which is the basis for calculating grants-in-aid on a per student basis as
15 provided in section 15-40.1-07.
- 16 c. School districts operating high schools that are not accredited pursuant to the
17 accreditation standards adopted by the superintendent of public instruction on
18 July 1, 1991, or that become unaccredited in any succeeding school year
19 must be supported for the first year that they become unaccredited in the
20 amount of the educational support per student established in subdivision a,
21 which is the basis for calculating grants-in-aid on a per student basis as
22 provided in section 15-40.1-07, but those school districts are not entitled to
23 the amounts resulting from applying the factors in that section. The amount
24 of aid a school district is entitled to under this subsection for each high school
25 that is not accredited must be reduced by two hundred dollars times the
26 number of students in the school for the second school year that the high
27 school is unaccredited, and an additional two hundred dollars per student in
28 the unaccredited school for each additional year the school remains
29 unaccredited. Any high school that becomes accredited is entitled to the per
30 student payments provided for in section 15-40.1-07 for the entire school year
31 in which the school becomes accredited.

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

3. In determining the amount of payments due ~~a school districts for tuition apportionment provided in section 15-44-03, and per student aid under this section, the amount of~~ district, the superintendent of public instruction shall add the tuition apportionment, ~~foundation aid~~ payments, per student payments, special education aid, and transportation aid for which a school district is eligible ~~must be added together, and from that total; subtract~~ 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~~ sixty percent of the its 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 2. A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

School district employee compensation report.

1. On or before September tenth of each year, beginning in 2002, each school district shall provide the following information to the superintendent of public instruction, with respect to teachers and with respect to administrators:

- a. The total amount of base salary.
- b. The total amount of compensation reportable as gross income under the Internal Revenue Code.
- c. Any other compensation paid or provided to or on behalf of individuals employed as teachers and as administrators.
- d. Health insurance benefits paid to or on behalf of individuals employed as teachers and as administrators.
- e. Retirement benefits paid on behalf of individuals employed as teachers and as administrators, and including individual shares if paid by the district.
- f. Any other benefits paid or provided to or on behalf of individuals employed as teachers and as administrators.

2. The superintendent of public instruction shall compile the information required by subsection 1 in a manner that allows for accurate comparisons based on:

- a. Full-time versus part-time personnel;
- b. A normal schoolday versus an extended schoolday; and
- c. A regular school calendar of approximately one hundred eighty days versus an extended school year.

3. If any school district fails without good cause to provide the information required by this section on or before September tenth and in the manner directed by the superintendent of public instruction, the superintendent shall withhold all state aid until the information is received.

4. For purposes of this section:

- a. "Administrator" means an individual employed by a school district in an administrative position and includes a school district superintendent, an assistant or associate superintendent, a principal, an assistant principal, a special education director, a vocational education director, and any other individual whose position requires an administrator's credential.
- b. "Teacher" means an individual employed by a school district in a position other than an administrator which requires licensure by the education standards and practices board or approval by the education standards and practices board.

SECTION 3. A new section to chapter 15.1-09 of the North Dakota Century Code is created and enacted as follows:

School board authority - Signing bonuses - Retention bonuses.

1. The board of a school district may offer to pay a signing bonus to an individual who:
- a. Is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board;
- b. Has signed a contract of employment to serve as a full-time classroom teacher in the district; and
- c. Has not previously been employed by the board of the district as a classroom teacher or as an administrator.
2. The board of a school district may offer to pay a retention bonus to an individual who has been employed by the district as a full-time classroom teacher for at least one full school year and who agrees to continued employment by the district as a full-time classroom teacher.
3. The board may pay a bonus under this section in one lump sum at the time the contract is signed or in multiple installments over the period of time agreed to by the board and the individual.
4. A bonus paid under this section does not affect the provisions of any negotiated salary schedule agreed to by the teachers and the board of a school district.

1 **SECTION 4. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code as
2 created by House Bill No. 1045, as approved by the fifty-seventh legislative assembly, is
3 amended and reenacted as follows:

4 **15.1-27-04. Per student payment.** The per student payment to which each school
5 district is entitled for the first year of the biennium is two thousand ~~one~~ four hundred ~~forty-five~~
6 twenty-seven dollars. The per student payment to which each school district is entitled for the
7 second year of the biennium is two thousand ~~two~~ four hundred ~~thirty~~ ninety dollars. The per
8 student amount is the basis for calculating state payments to school districts, as provided in
9 sections 15.1-27-06 and 15.1-27-07.

10 **SECTION 5. AMENDMENT.** Section 15.1-27-05 of the North Dakota Century Code as
11 created by House Bill No. 1045, as approved by the fifty-seventh legislative assembly, is
12 amended and reenacted as follows:

13 **15.1-27-05. School district equalization factor.** To determine the amount of
14 payments due a school district, the superintendent of public instruction shall add the tuition
15 apportionment payments, per student payments, special education aid, and transportation aid
16 for which a school district is eligible and from that total subtract the following:

- 17 1. The product of thirty-two mills times the latest available net assessed and
18 equalized valuation of property in the district.
- 19 2. The amount by which the unobligated general fund balance of the district on the
20 preceding June thirtieth is in excess of ~~seventy-five~~ sixty percent of its actual
21 expenditures, plus twenty thousand dollars.

22 **SECTION 6. AMENDMENT.** Section 57-15-27 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **57-15-27. Interim fund.** The governing body of any county, city, ~~school district~~, park
25 district, or ~~other~~ municipality, other than a school district, which is authorized to levy taxes may
26 include in its budget an item to be known as the "interim fund" which must be carried over to
27 the next ensuing fiscal year to meet the cash requirements of all funds or purposes to which the
28 credit of the municipality may be legally extended, for that portion of such fiscal year prior to the
29 receipt of taxes therein. In no case may ~~such~~ the interim fund be in excess of the amount
30 reasonably required to finance the municipality for the first nine months of the next ensuing
31 fiscal year. ~~Such~~ The interim fund may not be in excess of three-fourths of the current annual

1 appropriation for all purposes other than debt retirement purposes and appropriations financed
2 from bond sources ~~and, for school districts, an additional twenty thousand dollars.~~

3 **SECTION 7. TEACHER MENTORING AND EVALUATION PROGRAMS -**
4 **APPROVAL - REPORT TO LEGISLATIVE COUNCIL.**

- 5 1. The education standards and practices board, with the advice and consent of the
6 superintendent of public instruction, shall develop a proposal for:
- 7 a. The development and implementation of teacher mentoring programs and
8 teacher evaluation programs by school districts; and
- 9 b. The approval of teacher mentoring and evaluation programs by the board.
- 10 2. The education standards and practices board shall present the proposal to a
11 committee designated by the Legislative Council before July 1, 2002.

12 **SECTION 8. CONTINGENT PAYMENT - DECLINING ENROLLMENT.**

- 13 1. If the superintendent of public instruction determines that the portion of the
14 grants-foundation aid and transportation line item designated for per student
15 payments during the first year of the 2001-03 biennium in House Bill No. 1013, as
16 approved by the fifty-seventh legislative assembly, exceeds the estimated
17 expenditure for per student payments during the first year of the biennium by an
18 amount sufficient to provide for a distribution of \$150 per student to school districts
19 whose 2000-01 fall enrollment is less than their 1997-98 fall enrollment, the
20 superintendent shall distribute \$150 per student to those school districts.
- 21 2. If the superintendent of public instruction determines that the portion of the
22 grants-foundation aid and transportation line item designated for per student
23 payments during the first year of the biennium in House Bill No. 1013, as approved
24 by the fifty-seventh legislative assembly, does not exceed the estimated
25 expenditure for per student payments during the first year of the biennium by the
26 amount required for a payment under subsection 1, the superintendent may not
27 distribute any amounts under subsection 1.
- 28 3. If the superintendent of public instruction determines that the portion of the
29 grants-foundation aid and transportation line item designated for per student
30 payments during the second year of the 2001-03 biennium in House Bill No. 1013,
31 as approved by the fifty-seventh legislative assembly, exceeds the estimated

expenditure for per student payments during the second year of the biennium, the superintendent shall distribute \$250 per student to each school district in which the district's 2000-01 fall enrollment was less than the district's 1997-98 fall enrollment, or a lesser proportionate amount if the amount available is insufficient to provide for a distribution of \$250 per student to those school districts.

4. No school district may receive payments for declining enrollments in excess of four hundred students under this section.

SECTION 9. APPROPRIATION - GRANTS FOR NATIONAL TEACHER

CERTIFICATION.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$83,000, or so much of the sum as may be necessary, to the education standards and practices board for the purpose of making grants to assist teachers in obtaining national certification, for the biennium beginning July 1, 2001, and ending June 30, 2003.
2. An individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board may file an application with the board for a grant to assist with the cost of obtaining national teacher certification after July 1, 2001.
3. The education standards and practices board shall review each application chronologically.
4. A successful applicant is eligible to receive a grant in the amount of \$1,150 to assist with the assessment costs of national teacher certification.
5. At the conclusion of each of the first four full school years after the individual obtains the national teacher certification, the individual is entitled to receive an additional \$1,500, if:
 - a. The individual served during the school year as a full-time classroom teacher in a public school in this state; and
 - b. The individual participated in any efforts of the employing school district to develop and implement teacher mentoring programs and teacher evaluation programs.

**SECTION 10. APPROPRIATION - PILOT PROJECT - STUDENT ACHIEVEMENT
AND TEACHER QUALITY.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$340,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of funding a pilot project designed to enhance student achievement and teacher quality as provided in this section, for the biennium beginning July 1, 2001, and ending June 30, 2003.
2. The superintendent of public instruction shall select two school districts, based on an application process, for participation in a pilot project designed to enhance student achievement and teacher quality during the 2001-03 biennium as provided in this section. The school districts must be in different parts of the state.
3. To be eligible to participate in the pilot project as provided in this section, a school district must:
 - a. Have over two thousand five hundred students in average daily membership;
 - b. Commit to develop and implement:
 - (1) A mentoring program for individuals in their first three years of teaching;
 - (2) A professional development program that supports individual teacher improvement which is aligned to the district's student achievement goals and which provides research-based strategies for teaching, learning, and leadership;
 - (3) An evaluation program that establishes standards for teachers with respect to content knowledge, planning and preparation for instruction, instructional delivery, student assessment, classroom management, and professional responsibilities, and that requires an annual review by a team to determine adequate performance and eligibility for advancement; and
 - (4) A teacher compensation package that recognizes four categories of teachers from beginning to advanced and which sets the compensation level for each category based on the individual teacher's ability to meet or exceed the district's established standards for content knowledge,

1 planning and preparation for instruction, instructional delivery, student
2 assessment, classroom management, and professional responsibilities;

3 c. Contract with an individual who has the academic skills and managerial
4 experience necessary to achieve the purposes of this section; and

5 d. Present the contract required by subdivision c to a committee appointed by
6 the legislative council and obtain the approval of that committee.

7 4. The superintendent of public instruction shall forward to each school district
8 selected to participate in the pilot project the sum of \$20,000 to cover the direct
9 and indirect expenses of the participation, including the cost of a contract required
10 by subdivision d of subsection 3.

11 5. If the superintendent of public instruction determines that a participating school
12 district has implemented a mentoring program, a professional development
13 program, and an evaluation program as required by subsection 3 and if the
14 participating district implements a teacher compensation package that meets the
15 requirements of subsection 3 no later than the beginning of the 2002-03 school
16 year, the superintendent shall forward \$150,000 to the district for use in funding
17 the teacher compensation package.

18 **SECTION 11. APPROPRIATION - SCHOOL DISTRICT COMPENSATION REPORT.**

19 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
20 appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the
21 superintendent of public instruction for the purpose of developing and implementing a school
22 district employee compensation report as provided in section 2 of this Act, for the biennium
23 beginning July 1, 2001, and ending June 30, 2003.

24 **SECTION 12. APPROPRIATION - PROFESSIONAL DEVELOPMENT.** There is

25 appropriated out of any moneys in the general fund in the state treasury, not otherwise
26 appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the
27 superintendent of public instruction for the purpose of funding an extension to the school
28 calendar for professional development activities, for the biennium beginning July 1, 2001, and
29 ending June 30, 2003. Each school district shall extend its 2001-02 school calendar and its
30 2002-03 school calendar by one day beyond that of the district's 2000-01 school calendar.

31 Each school district shall use the additional day as a single block of time or incrementally for

1 professional development activities. As a result of the school calendar extension required by
2 this section, each school district shall ensure that the annual salary payable to each district
3 teacher reflects a proportionate increase.

4 **SECTION 13. EFFECTIVE DATE.** Subdivision b of subsection 3 of section 15-40.1-06
5 of the North Dakota Century Code as amended by section 1 of this Act and sections 5 and 6 of
6 this Act become effective on July 1, 2004.