

SECOND ENGROSSMENT  
with House AmendmentsFifty-ninth  
Legislative Assembly  
of North Dakota

## REENGROSSED SENATE BILL NO. 2168

Introduced by

Senators G. Lee, Heitkamp, Wardner

Representatives Delmore, D. Johnson, N. Johnson

1 A BILL for an Act to create and enact a new section to chapter 15.1-07 of the North Dakota  
2 Century Code, relating to the provision of educational association progress reports; to amend  
3 and reenact sections 15.1-07-28, 15.1-09-06, and 15.1-27-40 of the North Dakota Century  
4 Code, relating to educational associations governed by joint powers agreements; to provide for  
5 a legislative council study; and to provide an appropriation.

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

7 **SECTION 1. AMENDMENT.** Section 15.1-07-28 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **15.1-07-28. Educational association - Joint powers agreement - Approval Review**  
10 **by superintendent of public instruction - Criteria.** ~~If Before~~ school districts participating in  
11 ~~an educational association governed by a joint powers agreements under chapter 54-40.3 wish~~  
12 ~~to agreement may receive reimbursement for expenses any moneys, as provided in section~~  
13 ~~15.1-27-40, the school districts must request that the superintendent of public instruction~~  
14 ~~approve their shall review the joint powers agreement. In order for the superintendent of public~~  
15 ~~instruction to approve a joint powers agreement, the superintendent shall determine and~~  
16 ~~annually and~~ verify that:

- 17 1. a. The participating school districts are contiguous; and  
18 b. ~~(1) The participating in the agreement have:~~  
19 a. A combined total land mass of ~~the participating school districts exceeds four~~  
20 at least five thousand eight hundred square miles ~~[4035995 1502193~~  
21 hectares];  
22 ~~(2) The~~

b. ~~A combined total land mass of the participating school districts exceeds two at least four thousand five hundred square miles [647497 1165494 hectares] and the participating school districts number at least six twelve; or~~

~~(3) The~~

c. ~~A combined total land mass of the participating school districts exceeds two at least four thousand five hundred square miles [1035995 hectares] and the total number of have at least three thousand students in average daily membership in the participating school districts exceeds two thousand five hundred.~~

2. ~~The joint powers agreement provides that a school district contiguous to any school district already participating in the joint powers agreement may become a participant in the agreement at any time.~~

3. ~~The joint powers agreement requires that the participating school districts agree to maintain a joint operating fund, agree to share administrative functions, or agree to implement various common requirements; provided that:~~

a. ~~If the participating school districts agree to establish a joint operating fund, the joint powers agreement must require that during the first school year following approval, the participating school districts shall establish a joint operating fund equal to at least two percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; during the second school year following approval, the participating school districts shall establish a joint operating fund equal to at least four percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; and during the fifth school year following approval, the participating school districts shall establish a joint operating fund equal to at least six percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval;~~

b. ~~If the participating school districts agree to share administrative functions, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall share in the administration of at~~

1 ~~least three services; during the third school year following approval, all of the~~  
2 ~~participating districts shall share in the administration of at least five services;~~  
3 ~~and during the fifth school year following approval, all of the participating~~  
4 ~~districts shall share in the administration of at least seven services; and that~~  
5 ~~the list from which the participating districts must select the services to be~~  
6 ~~shared consists of:~~

- 7 ~~(1) Federal title program management;~~
- 8 ~~(2) Staff development;~~
- 9 ~~(3) Special education delivery;~~
- 10 ~~(4) Curriculum development or delivery;~~
- 11 ~~(5) Career and technical education delivery;~~
- 12 ~~(6) Student instructional support;~~
- 13 ~~(7) Media and technology;~~
- 14 ~~(8) Business management;~~
- 15 ~~(9) Distance learning;~~
- 16 ~~(10) Student counseling;~~
- 17 ~~(11) Food and nutrition;~~
- 18 ~~(12) Facility safety and health;~~
- 19 ~~(13) School accreditation and improvement; and~~
- 20 ~~(14) Transportation; and~~

21 e. ~~If the participating school districts agree to implement various common~~  
22 ~~requirements, the joint powers agreement must require that during the first~~  
23 ~~school year following approval, all of the participating districts shall implement~~  
24 ~~at least three requirements; during the third school year following approval, all~~  
25 ~~of the participating districts shall implement at least six requirements; and~~  
26 ~~during the fifth school year following approval, all of the participating districts~~  
27 ~~shall implement at least eight requirements; and that the list from which the~~  
28 ~~participating districts must select the requirements to be implemented~~  
29 ~~consists of:~~

- 30 ~~(1) A common school calendar;~~
- 31 ~~(2) A common class schedule;~~

- ~~(3) A common intranet communication system;~~
- ~~(4) A common class registration process for grades seven through twelve;~~
- ~~(5) A common curriculum for each grade level from kindergarten through six;~~
- ~~(6) A common student data system;~~
- ~~(7) A common school improvement and staff development process;~~
- ~~(8) Common services, as set forth in a five-year plan;~~
- ~~(9) A school facilities plan; and~~
- ~~(10) Joint funding of dual credit and advance placement courses. ;or~~

d. A combined total land mass of at least one thousand five hundred square miles [388498 hectares] and have at least seven thousand five hundred students in average daily membership.

2. The school districts participating in the agreement are contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or educational associations governed by joint powers agreements and without negatively impacting the ability of other school districts or educational associations governed by joint powers agreements from providing sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.

3. The joint powers agreement requires that the participating school districts maintain a joint operating fund and share various administrative functions and student services in accordance with subsection 4.

4. a. During the first two school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least two administrative functions and two student services, selected by the district.

- 1            b. During the third and fourth school years in which an educational association  
2            governed by a joint powers agreement is operational, each of the participating  
3            school districts shall share in at least three administrative functions and three  
4            student services, selected by the district.
- 5            c. During the fifth school year in which an educational association governed by a  
6            joint powers agreement is operational, and each year thereafter, each  
7            participating school district shall share at least five administrative functions  
8            and five student services, selected by the district.
- 9            d. For purposes of this subsection:
- 10           (1) "Administrative functions" means:
- 11                (a) Business management;  
12                (b) Career and technical education services management;  
13                (c) Curriculum mapping or development;  
14                (d) Data analysis;  
15                (e) Federal program support;  
16                (f) Federal title program management;  
17                (g) Grant writing;  
18                (h) School improvement;  
19                (i) School safety and environment management;  
20                (j) Special education services management;  
21                (k) Staff development;  
22                (l) Staff retention and recruitment;  
23                (m) Staff sharing;  
24                (n) Technology support; and  
25                (o) Any other functions approved by the superintendent of public  
26                instruction.
- 27           (2) Student services means:
- 28                (a) Advanced placement classes;  
29                (b) Alternative high schools or alternative high school programs;  
30                (c) Career and technical education classes;  
31                (d) Counseling services;

- 1 (e) Common elementary curricula;  
2 (f) Distance learning classes;  
3 (g) Dual credit classes;  
4 (h) Foreign language classes;  
5 (i) Library and media services;  
6 (j) Summer programs;  
7 (k) Supplemental instruction programs; and  
8 (l) Any other services approved by the superintendent of public  
9 instruction.
- 10 e. For purposes of this subsection, if an educational association governed by a  
11 joint powers agreement became operational before July 1, 2005, the 2005-06  
12 school year must be considered the association's first year of operation.
- 13 5. The joint powers agreement provides:
- 14 a. Criteria for the future participation of school districts that were not parties to  
15 the original joint powers agreement;
- 16 b. An application process by which school districts that were not parties to the  
17 original joint powers agreement can become participating districts; and
- 18 c. A process by which school districts that were not parties to the original joint  
19 powers agreement and whose application to participate in the agreement was  
20 denied can appeal the decision to the superintendent of public instruction.
- 21 ~~4.~~ 6. The joint powers agreement provides for the employment and compensation of a  
22 chief an administrator and other staff necessary to carry out the provisions of the  
23 agreement and the requirements of this section and section 15.1-27-37 Act.
- 24 7. The joint powers agreement provides for a governing board that consists only of  
25 individuals who serve on the boards of the participating school districts or  
26 designees of the respective school board members, provided however that a joint  
27 powers agreement may allow for the inclusion of ex officio nonvoting members on  
28 the educational association's board.
- 29 8. The joint powers agreement provides that the board of the educational association  
30 shall meet at least quarterly.

- 1           9.   The joint powers agreement does not permit the educational association to  
2               compensate members of the educational association board and that it does not  
3               permit the educational association to reimburse expenses incurred by any  
4               individuals in their capacity as members of the educational association board.

5           **SECTION 2.** A new section to chapter 15.1-07 of the North Dakota Century Code is  
6 created and enacted as follows:

7           **Educational association - Progress report.** At the conclusion of each school year,  
8 the administrator of each educational association governed by a joint powers agreement which  
9 the superintendent of public instruction has verified as meeting the requirements of section  
10 15.1-07-28 shall file a report with the legislative council. The report must summarize the  
11 activities of the association and must specifically address the benefits that accrued to each  
12 school district as a result of the district's membership in the association.

13          **SECTION 3. AMENDMENT.** Section 15.1-09-06 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15          **15.1-09-06. School board members - Compensation.**

- 16          1.   Each school board shall set a level of compensation for services payable to its  
17               members. In addition to compensation for services, each member may be  
18               reimbursed for all necessary meals and lodging and travel expenses actually  
19               incurred while engaged in official business of the board, at the same rate as  
20               provided for state officers and employees. Any mileage claimed may not exceed  
21               the number of miles [kilometers] between the points traveled as measured by the  
22               most usual route.
- 23          2.   Any member of a school board who serves on the board of an educational  
24 association governed by a joint powers agreement is deemed to be on official  
25 school board business for purposes of receiving compensation and reimbursement  
26 under this section, provided the superintendent of public instruction has reviewed  
27 the joint powers agreement and verified that it meets the requirements of section  
28 15.1-07-28.

29          **SECTION 4. AMENDMENT.** Section 15.1-27-40 of the North Dakota Century Code is  
30 amended and reenacted as follows:

**15.1-27-40. Approved joint powers agreement - Reimbursement by  
superintendent of public instruction.**

1. ~~The individual employed as a chief administrator for the purpose of carrying out the provisions of a joint powers agreement and any requirements under section 15.1-07-27 shall~~ administrator of an educational association governed by a joint powers agreement which the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28 shall annually submit to the superintendent of public instruction, at the time and in the manner designated by the superintendent, receipts for expenses incurred during a school year in delivering services and programs under section 15.1-07-27.
2. ~~The superintendent of public instruction, upon verifying the receipts, shall reimburse the chief administrator of the joint powers agreement for any expenses incurred in delivering services and programs under the auspices of the joint powers agreement as provided in section 15.1-07-27. The reimbursement may not exceed the lesser of:~~
  - a. ~~The total expenses incurred in delivering services and programs under section 15.1-07-27; or~~
  - b. ~~Fifty thousand dollars.~~
3. ~~The chief~~ a report detailing all expenses incurred by the educational association. The administrator shall attribute the expenses on a per student basis by participating school district.
2. ~~The~~ administrator shall deposit any moneys received under subsection 2 in the participating districts' section 5 into the educational association's joint operating fund.
4. ~~The superintendent of public instruction may not provide any reimbursement to a chief administrator under this section unless the joint powers agreement under which the services and programs are delivered has been approved by the superintendent.~~

**SECTION 5. LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying the feasibility and desirability of using joint powers agreements to create associations of school districts for the sharing of administrative functions and student services and the



1 short-term and long-term impacts of such agreements and associations on the adequate and  
2 equitable delivery of elementary and secondary education in this state. If the legislative council  
3 conducts this study, the legislative council shall report its findings and recommendations,  
4 together with any legislation required to implement the recommendations, to the sixtieth  
5 legislative assembly.

6 **SECTION 6. APPROPRIATION.**

- 7 1. There is appropriated out of any moneys in the general fund in the state treasury,  
8 not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may  
9 be necessary, to the superintendent of public instruction for the purpose of  
10 providing matching funds to eligible educational associations, for the biennium  
11 beginning July 1, 2005, and ending June 30, 2007.
- 12 2. a. The superintendent of public instruction shall use \$1,360,000, or so much of  
13 that sum as is necessary, to assist eligible educational associations with  
14 hiring and compensating staff; provided, however, that no eligible educational  
15 association may receive more than \$250,000 under this subdivision during  
16 the biennium.
- 17 b. The superintendent of public instruction shall use \$50,000, or so much of that  
18 sum as is necessary, to reimburse eligible educational associations formed  
19 on or after July 1, 2005, for expenses incurred in their formation.
- 20 c. The superintendent of public instruction shall use \$590,000, or so much of  
21 that sum as is necessary, to provide payments per student during each year  
22 of the biennium, to each eligible educational association, based on the  
23 number of students in average daily membership in each school district  
24 participating in the association.
- 25 3. Any money that the superintendent of public instruction forwards to an eligible  
26 educational association under this section is contingent upon the association  
27 providing one and one-half dollars in matching funds for every dollar forwarded by  
28 the superintendent.
- 29 4. For purposes of this section, an "eligible" educational association is one that is  
30 governed by a joint powers agreement which the superintendent of public  
31 instruction has verified as meeting the requirements of section 15.1-07-28.