

Fifty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2254

Introduced by

Senators Kelsh, Wanzek

Representatives Aarsvold, Gulleson, S. Kelsh

1 A BILL for an Act to amend and reenact section 15-40.1-06 of the North Dakota Century Code,
2 relating to the calculation and application of the school district equalization factor.

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

4 **SECTION 1. AMENDMENT.** Section 15-40.1-06 of the 1995 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **15-40.1-06. Declaration of legislative intent - Educational support per student -**
7 **School district equalization factor - Limitations.**

- 8 1. It is the intent of the legislative assembly, not considering any separate and
9 supplemental payments as may be provided by law, to support elementary and
10 secondary education in this state from state funds based on the educational cost
11 per student. In determining the educational cost per student, the following criteria
12 may not be used:
- 13 a. Expenditures for capital outlay for buildings and sites, or debt service.
14 b. Expenditures from school activities and school lunch programs.
15 c. Expenditures for the cost of transportation, including the cost of schoolbuses.
- 16 2. a. The educational support per student during the first year of the ~~1995-97~~
17 biennium must be one thousand seven hundred fifty-seven dollars and for the
18 second year of the biennium the educational support per student must be one
19 thousand eight hundred sixty-two dollars and is the basis for calculating
20 grants-in-aid on a per student basis as provided in sections 15-40.1-07 and
21 15-40.1-08.
- 22 b. School districts operating high schools not meeting the minimum curriculum
23 as provided in section 15-41-24 or the teacher qualifications in section
24 15-41-25 must be supported in the amount of two hundred twenty dollars,

1 which is the basis for calculating grants-in-aid on a per student basis as
2 provided in section 15-40.1-07.

- 3 c. School districts operating high schools that are not accredited pursuant to the
4 accreditation standards adopted by the superintendent of public instruction on
5 July 1, 1991, or that become unaccredited in any succeeding school year
6 must be supported for the 1991-92 school year or for the first year that they
7 become unaccredited in the amount of the educational support per student
8 established in subdivision a, which is the basis for calculating grants-in-aid on
9 a per student basis as provided in section 15-40.1-07, but those school
10 districts are not entitled to the amounts resulting from applying the factors in
11 that section. The amount of aid a school district is entitled to under this
12 subsection for each high school that is not accredited must be reduced by two
13 hundred dollars times the number of students in the school for the second
14 school year that the high school is unaccredited, and an additional two
15 hundred dollars per student in the unaccredited school for each additional
16 year the school remains unaccredited. Any high school that becomes
17 accredited is entitled to the per student payments provided for in section
18 15-40.1-07 for the entire school year in which the school becomes accredited.

- 19 d. School districts operating elementary schools that are not accredited pursuant
20 to the accreditation standards adopted by the superintendent of public
21 instruction on July 1, 1992, or that become unaccredited in any succeeding
22 school year must be supported for the 1992-93 school year or for the first year
23 that they become unaccredited in the amount of the educational support per
24 student established in subdivision a, which is the basis for calculating
25 grants-in-aid on a per student basis as provided in section 15-40.1-08, except
26 that the amount of aid that a school district is entitled to under this subsection
27 for each elementary school that is unaccredited must be reduced by two
28 hundred dollars times the number of students in the school each year that the
29 elementary school is unaccredited. Any elementary school that becomes
30 accredited is entitled to the per student payments provided for in section
31 15-40.1-08 for the entire school year in which the school becomes accredited.

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

6 a. ~~The~~ Except as provided in paragraph 4, the product of twenty-eight mills for
7 ~~the 1995-96 school year and thirty-two mills for the 1996-97 school year times~~
8 the latest available net assessed and equalized valuation of property of the
9 school district. For succeeding school years, the number of mills to be used
10 in the computation must be determined as follows:

11 (1) The superintendent of public instruction shall determine the percentage
12 resulting from dividing the number of mills used in the computation the
13 previous year by the state average school district general fund mill levy.

14 (2) The superintendent of public instruction shall determine the amount of
15 foundation aid estimated to be distributed during the current year and
16 subtract from that the amount of foundation aid that was distributed
17 during the prior year, and divide the result by the amount of foundation
18 aid distributed during the prior year.

19 (3) The superintendent of public instruction shall multiply the quotient
20 determined under paragraph 2 by forty percent and shall add this
21 product to the percentage obtained in paragraph 1. This sum shall be
22 multiplied times the state average school district general fund mill levy
23 to determine the number of mills to be used in the computation provided
24 in subdivision a. However, the number of mills used may not fall below
25 thirty-two mills, nor rise above twenty-five percent of the state average
26 school district general fund mill levy.

27 (4) If, however, a school district has a general fund levy of one hundred
28 twenty-nine and one-half mills or more, the number of mills determined
29 under paragraph 3 of this subdivision must be reduced by four for each
30 ten percent increment by which the educational support per student
31 determined under subsection 2 is less than an amount equal to seventy

1 percent of the educational cost per student as determined under
2 subsection 1.

3 b. The amount that the unobligated general fund balance of a school district on
4 the preceding June thirtieth is in excess of three-fourths of the actual
5 expenditures, plus an additional twenty thousand dollars.

6 4. No school district may receive foundation payments beyond the October payment
7 unless the following reports have been filed with the superintendent of public
8 instruction:

9 a. Annual average daily membership report.

10 b. Annual school district financial report.

11 c. The September tenth fall enrollment report.

12 d. The personnel report forms for certified and noncertified employees.

13 5. No school district may receive the January foundation payment unless the taxable
14 valuation and mill levy certifications are on file with the department of public
15 instruction by December fifteenth.