

**SENATE BILL NO. 2354**

Introduced by

Senators Kelsh, O'Connell

Representatives DeKrey, Gulleson, Lundgren

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 1997 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 ~~1997-99~~  
17 biennium must be one thousand nine hundred fifty-four dollars and for the  
18 second year of the ~~1997-99~~ biennium the educational support per student  
19 must be two thousand thirty-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 subsection 4, the product of thirty-two mills times  
7           the latest available net assessed and equalized valuation of property of the  
8           school district.
- 9           b. The amount that the unobligated general fund balance of a school district on  
10          the preceding June thirtieth is in excess of three-fourths of the actual  
11          expenditures, plus an additional twenty thousand dollars.
- 12          4. If a school district has a general fund levy of one hundred twenty-nine and one-half  
13          mills or more, the number of mills provided for by subsection 3 must be reduced by  
14          four for each ten percent increment by which the educational support per student  
15          determined under subsection 2 is less than an amount equal to seventy percent of  
16          the educational cost per student as determined under subsection 1.
- 17          5. No school district may receive foundation payments beyond the October payment  
18          unless the following reports have been filed with the superintendent of public  
19          instruction:
- 20          a. Annual average daily membership report.  
21          b. Annual school district financial report.  
22          c. The September tenth fall enrollment report.  
23          d. The personnel report forms for certified and noncertified employees.
- 24          ~~5-~~ 6. No school district may receive the January foundation payment unless the taxable  
25          valuation and mill levy certifications are on file with the department of public  
26          instruction by December fifteenth.