

**FOURTH ENGROSSMENT  
with House Amendments**

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; to create  
2 and enact a new section to chapter 15-29 of the North Dakota Century Code, or in the  
3 alternative to create and enact a new section to chapter 15.1-09 of the North Dakota Century  
4 Code, and to create and enact two new sections to chapter 15-40.1 of the North Dakota  
5 Century Code, relating to proportionate payments for summer school programs and  
6 nonoperating school districts; to amend and reenact sections 15-40.1-06, 15-40.1-07,  
7 15-40.1-07.3, 15-40.1-08, subsection 1 of section 57-15-14.2, and section 57-15-17.1 of the  
8 North Dakota Century Code, relating to educational support per student and payment factors;  
9 to provide an appropriation; to provide for a legislative council study; and to declare an  
10 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. The superintendent may not require, through the accreditation process,  
18 that an employee of a school district having fewer than one hundred students in high school  
19 spend more than thirty-three percent of the employee's time performing the duties of a school  
20 principal.

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

23 **15-40.1-06. Declaration of legislative intent - Educational support per student -**  
24 **School district equalization factor - Limitations.**

- 1           1. It is the intent of the legislative assembly, ~~not considering any separate and~~  
2           ~~supplemental payments as may be provided by law,~~ to support elementary and  
3           secondary education in this state from state funds based on the educational cost  
4           per student. For purposes of this section, state funds include all appropriations for  
5           foundation aid, tuition apportionment, supplemental per student payments, special  
6           education, vocational education, transportation aid, school district technology, the  
7           governor's school, teacher centers, and the leadership in educational  
8           administration development consortium. In determining the educational cost per  
9           student, the following criteria may not be used:
- 10          a. Expenditures for capital outlay for buildings and sites, or debt service.  
11          b. Expenditures from school activities and school lunch programs.  
12          ~~e. Expenditures for the cost of transportation, including the cost of schoolbuses.~~
- 13          2. a. The educational support per student during the first year of the ~~1997-99~~  
14             1999-2001 biennium must be ~~one thousand nine hundred fifty-four~~ two  
15             thousand one hundred thirty-four dollars and for the second year of the  
16             ~~1997-99~~ 1999-2001 biennium the educational support per student must be  
17             ~~two thousand thirty-two~~ two thousand two hundred forty dollars and is the  
18             basis for calculating grants-in-aid on a per student basis as provided in  
19             sections 15-40.1-07 and 15-40.1-08.
- 20          b. School districts operating high schools not meeting the minimum curriculum  
21             as provided in section 15-41-24 or the teacher qualifications in section  
22             15-41-25 must be supported in the amount of two hundred twenty dollars,  
23             which is the basis for calculating grants-in-aid on a per student basis as  
24             provided in section 15-40.1-07.
- 25          c. School districts operating high schools that are not accredited pursuant to the  
26             accreditation standards adopted by the superintendent of public instruction on  
27             July 1, 1991, or that become unaccredited in any succeeding school year  
28             must be supported for the ~~1991-92 school year or for the first year that they~~  
29             become unaccredited in the amount of the educational support per student  
30             established in subdivision a, which is the basis for calculating grants-in-aid on  
31             a per student basis as provided in section 15-40.1-07, but those school

- 1 districts are not entitled to the amounts resulting from applying the factors in  
2 that section. The amount of aid a school district is entitled to under this  
3 subsection for each high school that is not accredited must be reduced by two  
4 hundred dollars times the number of students in the school for the second  
5 school year that the high school is unaccredited, and an additional two  
6 hundred dollars per student in the unaccredited school for each additional  
7 year the school remains unaccredited. Any high school that becomes  
8 accredited is entitled to the per student payments provided for in section  
9 15-40.1-07 for the entire school year in which the school becomes accredited.
- 10 d. School districts operating elementary schools that are not accredited pursuant  
11 to the accreditation standards adopted by the superintendent of public  
12 instruction on July 1, 1992, or that become unaccredited in any succeeding  
13 school year must be supported for the ~~1992-93 school year~~ or for the first  
14 year that they become unaccredited in the amount of the educational support  
15 per student established in subdivision a, which is the basis for calculating  
16 grants-in-aid on a per student basis as provided in section 15-40.1-08, except  
17 that the amount of aid that a school district is entitled to under this subsection  
18 for each elementary school that is unaccredited must be reduced by two  
19 hundred dollars times the number of students in the school each year that the  
20 elementary school is unaccredited. Any elementary school that becomes  
21 accredited is entitled to the per student payments provided for in section  
22 15-40.1-08 for the entire school year in which the school becomes accredited.
- 23 3. In determining the amount of payments due school districts for tuition  
24 apportionment provided in section 15-44-03, and per student aid under this  
25 section, the amount of tuition apportionment, foundation aid, special education aid,  
26 and transportation aid for which a school district is eligible must be added together,  
27 and from that total, the following amounts must be subtracted:
- 28 a. The product of thirty-two mills times the latest available net assessed and  
29 equalized valuation of property of the school district.

- 1           b. The amount that the unobligated general fund balance of a school district on  
2           the preceding June thirtieth is in excess of three-fourths of the actual  
3           expenditures, plus an additional twenty thousand dollars.
- 4           4. No school district may receive foundation payments beyond the October payment  
5           unless the following reports have been filed with the superintendent of public  
6           instruction:
- 7           a. Annual average daily membership report.  
8           b. Annual school district financial report.  
9           c. The September tenth fall enrollment report.  
10          d. The personnel report forms for certified and noncertified employees.
- 11          5. No school district may receive the January foundation payment unless the taxable  
12          valuation and mill levy certifications are on file with the department of public  
13          instruction by December fifteenth.

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

16           **15-40.1-07. High school per student payments - Amount - Proportionate**  
17 **payments.** Payments must be made each year from state funds to each school district  
18 operating a high school and to each school district contracting to educate high school students  
19 in a federal school, subject to adjustment as provided in section 15-40.1-09, as follows:

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

- 1           2. For each high school district having seventy-five or more, but less than one  
2           hundred fifty students in average daily membership in grades nine through twelve,  
3           the amount of money resulting from multiplying the factor 1.335 adjusted by  
4           ~~sixty-five~~ seventy-five percent of the difference between 1.335 and the factor  
5           representing the five-year average cost of education per student for this category,  
6           as determined by the superintendent of public instruction, times the number of high  
7           school students in grades nine through twelve registered in that school district,  
8           times the educational support per student provided in section 15-40.1-06.  
9           ~~Beginning July 1, 1998, the factor is 1.335 adjusted by seventy-five percent of the~~  
10          ~~difference between 1.335 and the factor representing the five-year average cost of~~  
11          ~~education per student for this category, as determined by the superintendent of~~  
12          ~~public instruction.~~
- 13          3. For each high school district having one hundred fifty or more, but less than five  
14          hundred fifty students in average daily membership in grades nine through twelve,  
15          the amount of money resulting from multiplying the factor 1.24 adjusted by  
16          ~~sixty-five~~ seventy-five percent of the difference between 1.24 and the factor  
17          representing the five-year average cost of education per student for this category,  
18          as determined by the superintendent of public instruction, times the number of high  
19          school students in grades nine through twelve registered in that school district,  
20          times the educational support per student provided in section 15-40.1-06.  
21          ~~Beginning July 1, 1998, the factor is 1.24 adjusted by seventy-five percent of the~~  
22          ~~difference between 1.24 and the factor representing the five-year average cost of~~  
23          ~~education per student for this category, as determined by the superintendent of~~  
24          ~~public instruction.~~
- 25          4. For each high school district having a total high school enrollment of five hundred  
26          fifty or more students in average daily membership in grades nine through twelve,  
27          the amount of money resulting from multiplying the factor 1.14 adjusted by  
28          ~~sixty-five~~ seventy-five percent of the difference between 1.14 and the factor  
29          representing the five-year average cost of education per student for this category,  
30          as determined by the superintendent of public instruction, times the number of high  
31          school students in grades nine through twelve registered in that school district,

1 times the educational support per student provided in section 15-40.1-06.

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

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

8 a. Subsection 1 times the number of students registered in the alternative  
9 education program, times the educational support per student provided in  
10 section 15-40.1-06, if the alternative education program has less than  
11 seventy-five students in average daily membership.

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

16 c. Subsection 3 times the number of students registered in the alternative  
17 education program, times the educational support per student provided in  
18 section 15-40.1-06, if the alternative education program has one hundred fifty  
19 or more, but less than five hundred fifty students in average daily  
20 membership.

21 d. Subsection 4 times the number of students registered in the alternative  
22 education program times the educational support per student as provided in  
23 section 15-40.1-06 if the alternative education program has five hundred fifty  
24 or more students in average daily membership.

25 Every high school district must receive at least as much in total payments as it would have  
26 received if it had the highest number of students in the next lower category. Payments may not  
27 be made unless four or more units of standard high school work approved by the  
28 superintendent of public instruction are offered during the current year, only certificated  
29 teachers have been employed, and the other standards prescribed by this chapter have been  
30 met. Payments must be made to the high school district in which the student is enrolled for  
31 graduation and units of approved vocational education in accordance with the provisions of

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

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

18 **15-40.1-07.3. Per student payments - Reorganization of school districts.**

- 19 1. If any school district receiving per student payments calculated under section  
20 15-40.1-07 reorganizes with another school district under chapter 15-27.3 or  
21 15-27.6 before August 1, 1997, the school district resulting from the reorganization  
22 is entitled to receive the same per student payments for each high school student  
23 as each separate school district received for each high school student prior to the  
24 reorganization, for a period of four years.
- 25 2. If any school district receiving per student payments calculated under this chapter  
26 reorganizes with another school district under chapter 15-27.3 or 15-27.6 after  
27 July 31, 1997, the school district resulting from the reorganization is entitled to  
28 receive the same per student payments for each high school and elementary  
29 student as each separate school district received for each high school and  
30 elementary student prior to the reorganization, for a period of four years.

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

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

14           **15-40.1-08. Elementary per student payments - Amount.** Payments must be made  
15           from state funds to each school district operating an elementary school and to each school  
16           district contracting to educate elementary students in a federal school, employing teachers  
17           holding valid certificates or permits in accordance with section 15-47-46 and chapter 15-36,  
18           adjusted as provided in section 15-40.1-09, as follows:

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

- 1 district in grades one through six as provided in subsections 2 through 4. If the  
2 one-room rural school is located in a school district with another school that has  
3 students in grade seven or eight, the weighting factor for the students in grade  
4 seven or eight must be the same as that provided for in subsection 5. ~~Beginning~~  
5 ~~July 1, 1998, the factor is 1.28 adjusted by seventy five percent of the difference~~  
6 ~~between 1.28 and the five-year average cost of education per student for this~~  
7 ~~category, as determined by the superintendent of public instruction.~~
- 8 2. For each elementary school in school districts having under one hundred students  
9 in average daily membership in grades one through six, the amount of money  
10 resulting from multiplying the factor 1.09 adjusted by ~~sixty-five~~ seventy-five percent  
11 of the difference between 1.09 and the factor representing the five-year average  
12 cost of education per student for this category, as determined by the  
13 superintendent of public instruction, times the number of students in that school in  
14 grades one through six in average daily membership in each classroom or for each  
15 teacher, times the educational support per student provided in section 15-40.1-06,  
16 except that no payment may be made for more than twenty-five students in  
17 average daily membership in each classroom or for each teacher. ~~Beginning~~  
18 ~~July 1, 1998, the factor is 1.09 adjusted by seventy five percent of the difference~~  
19 ~~between 1.09 and the five-year average cost of education per student for this~~  
20 ~~category, as determined by the superintendent of public instruction.~~
- 21 3. For each elementary school in school districts having one hundred or more  
22 students in average daily membership in grades one through six, and provided the  
23 districts in which such schools are located have an average daily membership of  
24 less than one thousand elementary students in grades one through six, the amount  
25 of money resulting from multiplying the factor .905 adjusted by ~~sixty-five~~  
26 seventy-five percent of the difference between .905 and the factor representing the  
27 five-year average cost of education per student for this category, as determined by  
28 the superintendent of public instruction, times the number of students in that  
29 school in grades one through six in average daily membership in each classroom  
30 or for each teacher times the educational support per student provided in section  
31 15-40.1-06, except that no payment may be made for more than thirty students in

- 1 average daily membership in each classroom or for each teacher. ~~Beginning~~  
2 ~~July 1, 1998, the factor is .905 adjusted by seventy five percent of the difference~~  
3 ~~between .905 and the five year average cost of education per student for this~~  
4 ~~category, as determined by the superintendent of public instruction.~~
- 5 4. For each elementary school in school districts having an average daily  
6 membership of one thousand or more elementary students in grades one through  
7 six, the amount of money resulting from multiplying the factor .95 adjusted by  
8 ~~sixty five~~ seventy-five percent of the difference between .95 and the factor  
9 representing the five-year average cost of education per student for this category,  
10 as determined by the superintendent of public instruction, times the number of  
11 students in that school in grades one through six in average daily membership in  
12 each classroom or for each teacher times the educational support per student  
13 provided in section 15-40.1-06, except that no payment may be made for more  
14 than thirty students in average daily membership in each classroom or for each  
15 teacher. ~~Beginning July 1, 1998, the factor is .95 adjusted by seventy five percent~~  
16 ~~of the difference between .95 and the five year average cost of education per~~  
17 ~~student for this category, as determined by the superintendent of public instruction.~~
- 18 5. For each of the above classes of elementary schools, except for one-room rural  
19 schools that are not located in a district with another school having students in  
20 grade seven or eight, there must be paid to each school the amount of money  
21 resulting from multiplying the factor 1.01 adjusted by ~~sixty five~~ seventy-five percent  
22 of the difference between 1.01 and the factor representing the five-year average  
23 cost of education per student for this category, as determined by the  
24 superintendent of public instruction, times the number of students in that school in  
25 grades seven and eight in average daily membership in each classroom or for  
26 each teacher times the educational support per student provided in section  
27 15-40.1-06, except that no payment may be made for more than thirty students in  
28 average daily membership in each classroom or for each teacher. ~~Beginning~~  
29 ~~July 1, 1998, the factor is 1.01 adjusted by seventy five percent of the difference~~  
30 ~~between 1.01 and the five year average cost of education per student for this~~  
31 ~~category, as determined by the superintendent of public instruction.~~

- 1           6. For each elementary school having students under the compulsory age for school  
2 attendance, but not less than three years of age, in a special education program  
3 approved by the director of special education, the amount of money resulting from  
4 multiplying the factor 1.01 adjusted by ~~sixty-five~~ seventy-five percent of the  
5 difference between 1.01 and the factor representing the five-year average cost of  
6 education per student for this category, as determined by the superintendent of  
7 public instruction, times the number of special education students in that school  
8 under the compulsory age for school attendance in average daily membership in  
9 each classroom or for each teacher times the educational support per student  
10 provided in section 15-40.1-06. ~~Beginning July 1, 1998, the factor is 1.01 adjusted~~  
11 ~~by seventy five percent of the difference between 1.01 and the five year average~~  
12 ~~cost of education per student for this category, as determined by the~~  
13 ~~superintendent of public instruction.~~
- 14           7. For each elementary school providing a kindergarten that is established according  
15 to provisions of section 15-45-01, the amount of money resulting from multiplying  
16 the factor .50 adjusted by ~~sixty-five~~ seventy-five percent of the difference between  
17 .50 and the factor representing the five-year average cost of education per student  
18 for this category, as determined by the superintendent of public instruction, times  
19 the number of students in that school in average daily membership in each  
20 classroom or for each teacher times the educational support per student, as  
21 provided under section 15-40.1-06, except that no payment may be made for more  
22 than twenty-five students in average daily membership in each classroom or for  
23 each teacher. The full per student payment may be made only to those  
24 kindergarten programs providing the equivalent of ninety full days of classroom  
25 instruction during any twelve-month period. Programs providing shorter periods of  
26 instruction during the same time period must receive a proportionately smaller per  
27 student payment. ~~Beginning July 1, 1998, the factor is .50 adjusted by~~  
28 ~~seventy five percent of the difference between .50 and the five year average cost~~  
29 ~~of education per student for this category, as determined by the superintendent of~~  
30 ~~public instruction.~~

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

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

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

8           **Summer school programs - Proportionate payments.**

- 9           1. A school district that offers high school summer school programs is entitled to  
10 receive proportionate payments provided each course offered satisfies  
11 requirements for graduation, comprises at least as many clock hours as courses  
12 offered during the regular school term, and complies with rules adopted by the  
13 superintendent of public instruction.
- 14           2. A school district that offers remedial elementary summer school programs is  
15 entitled to receive proportionate payments provided the programs comply with  
16 rules adopted by the superintendent of public instruction.
- 17           3. The superintendent of public instruction may adopt rules regarding proportionate  
18 payments for remedial elementary summer school programs and high school  
19 summer school programs.
- 20           4. Proportionate payments made under this section during a biennium for summer  
21 school programs may not exceed one and one-half percent of the total amount  
22 appropriated by the legislative assembly for foundation aid and transportation aid  
23 during the biennium, or eight million dollars, whichever is less. No more than  
24 seventy-five percent of the amount made available under this subsection may be  
25 used to support high school summer school programs and no more than  
26 twenty-five percent of the amount made available under this subsection may be  
27 used to support remedial elementary summer school programs.

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

30           **Nonoperating school districts - Education of students - State payments.**

- 1           1. Notwithstanding the provisions of any other law, a school district operating on the  
2           effective date of this Act may become a nonoperating district, provided:
- 3           a. The board of the district terminates the operation of all public schools in the  
4           district;
- 5           b. The board provides for the education in other school districts of all  
6           kindergarten, elementary, and secondary school students residing in the  
7           district; and
- 8           c. The board pays to other school districts educating its students the full per  
9           student cost of education in the receiving district.
- 10          2. The board of a nonoperating school district shall continue to employ, on a full-time  
11          or a part-time basis, one person qualified to manage the finances of the district.
- 12          3. The board of a nonoperating school district is governed by all laws applicable to  
13          the board of an operating school district.
- 14          4. A nonoperating district under this section is entitled to receive all per student  
15          payments, supplemental payments, tuition apportionment payments, transportation  
16          aid payments, special education payments, vocational education payments, and  
17          any other state payments to school districts, for each resident student, in the same  
18          manner that the payments would be made had the district remained operational.
- 19          5. Total state payments made annually to a nonoperating district under this section  
20          may not be less than the total state payments received by the district during its  
21          final year of operation.
- 22          6. A school district may be nonoperational for no more than five school years.

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

25                **School district superintendent - Joint employment - Accreditation.** The  
26 superintendent of public instruction may not impose through the accreditation process any  
27 penalties or sanctions on a school district for employing a superintendent jointly with one or  
28 more other districts. The superintendent may not require, through the accreditation process,  
29 that an employee of a school district having fewer than one hundred students in high school  
30 spend more than thirty-three percent of the employee's time performing the duties of a school  
31 principal.

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

- 3           1. A school board of any school district may levy an amount sufficient to cover  
4           general expenses including the costs of the following:
- 5           a. Board and lodging for high school students as provided in section 15-34.2-06.
  - 6           b. The teachers' retirement fund as provided in section 15-39.1-28.
  - 7           c. Tuition for students in grades seven through twelve as provided in section  
8           15-40.2-12.
  - 9           d. Special education program as provided in section 15-59-08.
  - 10          e. The establishment and maintenance of an insurance reserve fund for  
11          insurance purposes as provided in section 32-12.1-08.
  - 12          f. A final judgment obtained against a school district.
  - 13          g. The district's share of contribution to the old-age survivors' fund and matching  
14          contribution for the social security fund as provided by chapter 52-09 and to  
15          provide the district's share of contribution to the old-age survivors' fund and  
16          matching contribution for the social security fund for contracted employees of  
17          a multidistrict special education board.
  - 18          h. The rental or leasing of buildings, property, or classroom space. Minimum  
19          state standards for health and safety applicable to school building  
20          construction shall apply to any rented or leased buildings, property, or  
21          classroom space.
  - 22          i. Unemployment compensation benefits.
  - 23          j. The removal of asbestos substances from school buildings or the abatement  
24          of asbestos substances in school buildings under any method approved by  
25          the United States environmental protection agency and any repair,  
26          replacement, or remodeling that results from such removal or abatement, any  
27          remodeling required to meet specifications set by the Americans with  
28          Disabilities Act Accessibility Guidelines for Buildings and Facilities as  
29          contained in the appendix to title 28, Code of Federal Regulations, part 36  
30          [28 CFR 36], and any remodeling required to meet requirements set by the  
31          state fire marshal during the inspection of a public school.

- 1 k. Participating in cooperative vocational education programs approved by the  
2 state board.
- 3 l. Maintaining a vocational education program approved by the state board and  
4 established only for that school district.
- 5 m. Paying the cost of purchasing, contracting, operating, and maintaining  
6 schoolbuses.
- 7 n. Establishing and maintaining school library services.
- 8 o. Equipping schoolbuses with two-way communications and central station  
9 equipment and providing for the installation and maintenance of such  
10 equipment.
- 11 p. Establishing free public kindergartens in connection with the public schools of  
12 the district for the instruction of resident children below school age during the  
13 regular school term.
- 14 q. Establishing, maintaining, and conducting a public recreation system.
- 15 r. The district's share of contribution to finance an interdistrict cooperative  
16 agreement authorized by section 15-47-40.1.

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

19 **57-15-17.1. Multiyear asbestos abatement and required remodeling levy by**  
20 **school district.**

- 21 1. The governing body of any public school district may by resolution adopted by a  
22 two-thirds vote of the school board dedicate a tax levy for purposes of this section  
23 of not exceeding fifteen mills on the dollar of taxable valuation of property within  
24 the district for a period not longer than fifteen years. The school board may  
25 authorize and issue general obligation bonds to be paid from the proceeds of this  
26 dedicated levy for the purpose of ~~providing~~:
- 27 a. Providing funds for the removal of asbestos substances from school buildings  
28 or the abatement of asbestos substances in school buildings under any other  
29 method approved by the United States environmental protection agency and  
30 for any repair, replacement, or remodeling that results from removal or  
31 abatement of asbestos substances;

- 1           b. Any remodeling required to meet specifications set by the Americans with  
2           Disabilities Act Accessibility Guidelines for Buildings and Facilities as  
3           contained in the appendix to title 28, Code of Federal Regulations, part 36  
4           [28 CFR 36]; and
- 5           c. Any remodeling required to meet requirements set by the state fire marshal  
6           during the inspection of a public school.
- 7           2. All revenue accruing from the levy under this section, except revenue deposited as  
8           allowed by subsection 3, must be placed in a separate fund known as the asbestos  
9           abatement fund and must be accounted for within the capital projects fund group  
10          and disbursements must be made from such funds within this fund group for the  
11          purpose of asbestos abatement.
- 12          3. All revenue accruing from up to five mills of the fifteen mill levy under this section  
13          must be placed in a separate fund known as the required remodeling fund and  
14          must be accounted for within the capital projects fund group and disbursements  
15          must be made from such funds within this fund group for the purpose of required  
16          remodeling, as set forth in subsection 1.
- 17          4. Any moneys remaining in the asbestos abatement fund after completion of the  
18          principal and interest payments for any bonds issued for any school asbestos  
19          abatement project and any funds remaining in the required remodeling fund after  
20          completion of the remodeling projects must be transferred to the general fund of  
21          the school district upon the order of the school board.

22           **SECTION 11. REIMBURSEMENT - REORGANIZED DISTRICTS.** In distributing per  
23          student payments for the 1997-99 biennium, the superintendent of public instruction shall  
24          ensure that no school district reorganized after June 30, 1997, and before July 1, 1999,  
25          receives less in per student payments for the first year of its reorganization than the districts  
26          participating in the reorganization received in per student payments for the school year  
27          immediately preceding the reorganization and that for subsequent years the district receives  
28          amounts determined pursuant to section 15-40.1-07.3.

29           **SECTION 12. LEGISLATIVE COUNCIL STUDY OF EDUCATIONAL EQUITY AND**  
30          **FUTURE EDUCATIONAL DELIVERY.** The legislative council shall study the provision of  
31          education to public school students in this state and shall examine the manner in which

1 education to public school students will be delivered in the ensuing five, ten, and twenty years.  
2 Within this study, the council shall address demographic changes as they affect equity of  
3 educational opportunities with respect to courses, facilities, and extracurricular activities; equity  
4 with respect to teacher availability and qualifications; equity with respect to the organization and  
5 administration of school districts; and taxpayer equity in both rural and urban school districts.  
6 The legislative council shall report its findings and recommendations, together with any  
7 legislation necessary to implement the recommendations, to the fifty-seventh legislative  
8 assembly.

9           **SECTION 13. APPROPRIATION.** There is hereby appropriated out of any moneys in  
10 the general fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so  
11 much of the sum as may be necessary, to the superintendent of public instruction for the  
12 purpose of providing supplemental per student payments to school districts, for the biennium  
13 beginning July 1, 1999, and ending June 30, 2001. The superintendent shall distribute the per  
14 student payments to each school district in the state on the basis of average daily membership.  
15 The superintendent shall distribute fifty percent of the moneys provided under this section  
16 during the first year of the biennium and the remaining fifty percent during the second year of  
17 the biennium.

18           **SECTION 14. EMERGENCY.** Sections 6 and 11 of this Act are declared to be an  
19 emergency measure.