A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the state library, the school for the deaf, and North Dakota vision services - school for the blind; to amend and reenact sections 15.1-02-02, 15.1-27-04.1, 15.1-32-01, 15.1-32-14, 15.1-32-18, and 54-24.3-01 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction, baseline funding, high-cost students, and regional library cooperative definitions; to provide for a transfer; to provide for reports; to provide an exemption; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of public instruction, the state library, the school for the deaf, and North Dakota vision services - school for the blind for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

<table>
<thead>
<tr>
<th>Item</th>
<th>Base Level</th>
<th>Enhancements</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$17,854,747</td>
<td>$965,839</td>
<td>$18,820,586</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>33,098,149</td>
<td>(304,829)</td>
<td>32,793,320</td>
</tr>
<tr>
<td>Integrated formula payments</td>
<td>2,131,825,000</td>
<td>164,849,851</td>
<td>2,296,674,851</td>
</tr>
<tr>
<td>Grants - special education</td>
<td>27,000,000</td>
<td>(3,000,000)</td>
<td>24,000,000</td>
</tr>
<tr>
<td>Grants - transportation</td>
<td>58,100,000</td>
<td>0</td>
<td>58,100,000</td>
</tr>
<tr>
<td></td>
<td>Grants - other grants</td>
<td>312,738,893</td>
<td>70,000,000</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------</td>
<td>------------</td>
<td>-----------</td>
</tr>
<tr>
<td>2</td>
<td>Grants - program grants</td>
<td>0</td>
<td>13,550,000</td>
</tr>
<tr>
<td>3</td>
<td>Grants - passthrough grants</td>
<td>0</td>
<td>8,569,000</td>
</tr>
<tr>
<td>4</td>
<td>Grants - program and passthrough</td>
<td>10,387,064</td>
<td>(10,387,064)</td>
</tr>
<tr>
<td>5</td>
<td>PowerSchool</td>
<td>5,250,000</td>
<td>525,000</td>
</tr>
<tr>
<td>6</td>
<td>National board certification</td>
<td>176,290</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Total all funds</td>
<td>$2,596,430,143</td>
<td>$244,767,797</td>
</tr>
<tr>
<td>8</td>
<td>Less estimated income</td>
<td>938,233,270</td>
<td>187,349,226</td>
</tr>
<tr>
<td>9</td>
<td>Total general fund</td>
<td>$1,658,196,873</td>
<td>$57,418,571</td>
</tr>
<tr>
<td>10</td>
<td>Full-time equivalent positions</td>
<td>86.25</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Subdivision 2.

**CENTER FOR DISTANCE EDUCATION**

<table>
<thead>
<tr>
<th></th>
<th>Adjustments or</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Level</td>
</tr>
<tr>
<td>15</td>
<td>Center for distance education</td>
</tr>
<tr>
<td>16</td>
<td>Total all funds</td>
</tr>
<tr>
<td>17</td>
<td>Less estimated income</td>
</tr>
<tr>
<td>18</td>
<td>Total general fund</td>
</tr>
<tr>
<td>19</td>
<td>Full-time equivalent positions</td>
</tr>
</tbody>
</table>

Subdivision 3.

**STATE LIBRARY**

<table>
<thead>
<tr>
<th></th>
<th>Adjustments or</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Level</td>
</tr>
<tr>
<td>24</td>
<td>Salaries and wages</td>
</tr>
<tr>
<td>25</td>
<td>Operating expenses</td>
</tr>
<tr>
<td>26</td>
<td>Grants</td>
</tr>
<tr>
<td>27</td>
<td>Total all funds</td>
</tr>
<tr>
<td>28</td>
<td>Less estimated income</td>
</tr>
<tr>
<td>29</td>
<td>Total general fund</td>
</tr>
<tr>
<td>30</td>
<td>Full-time equivalent positions</td>
</tr>
</tbody>
</table>

Subdivision 4.
### SCHOOL FOR THE DEAF

<table>
<thead>
<tr>
<th></th>
<th>Adjustments or</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Level</td>
<td>Enhancements</td>
<td>Appropriation</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$8,332,820</td>
<td>$604,780</td>
<td>$8,937,600</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>1,705,586</td>
<td>120,171</td>
<td>1,825,757</td>
</tr>
<tr>
<td>Capital assets</td>
<td>158,678</td>
<td>843,500</td>
<td>1,002,178</td>
</tr>
<tr>
<td>Total all funds</td>
<td>$10,197,084</td>
<td>$1,568,451</td>
<td>$11,765,535</td>
</tr>
<tr>
<td>Less estimated income</td>
<td>2,790,528</td>
<td>875,163</td>
<td>3,665,691</td>
</tr>
<tr>
<td>Total general fund</td>
<td>$7,406,556</td>
<td>$693,288</td>
<td>$8,099,844</td>
</tr>
<tr>
<td>Full-time equivalent positions</td>
<td>44.61</td>
<td>0.75</td>
<td>45.36</td>
</tr>
</tbody>
</table>

### NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

|                                | Adjustments or |          |          |
|                                | Base Level     | Enhancements | Appropriation |
| Salaries and wages             | $4,992,194     | $354,219 | $5,346,413 |
| Operating expenses             | 792,671        | 103,015  | 895,686   |
| Capital assets                 | 39,192         | 439,000  | 478,192   |
| Total all funds                | $5,824,057     | $896,234 | $6,720,291 |
| Less estimated income          | 1,062,178      | 598,533  | 1,660,711 |
| Total general fund             | $4,761,879     | $297,701 | $5,059,580 |
| Full-time equivalent positions | 27.75          | 0.00     | 27.75     |

### TOTAL - SECTION 1

|                                | Adjustments or |          |          |
|                                | Base Level     | Enhancements | Appropriation |
| Grand total general fund       | $1,676,197,029 | $66,197,917 | $1,742,394,946 |
| Grand total special funds      | 944,450,393    | 193,480,548 | 1,137,930,941 |
| Grand total all funds          | $2,620,647,422 | $259,678,465 | $2,880,325,887 |

### SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding
items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<table>
<thead>
<tr>
<th>One-Time Funding Description</th>
<th>2021-23</th>
<th>2023-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of public instruction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Science experiments grants</td>
<td>$13,500,000</td>
<td>$5,500,000</td>
</tr>
<tr>
<td>Regional education association grants</td>
<td>250,000</td>
<td>70,000</td>
</tr>
<tr>
<td>State automated reporting system maintenance</td>
<td>200,000</td>
<td>0</td>
</tr>
<tr>
<td>Children's science center</td>
<td>5,900,000</td>
<td>0</td>
</tr>
<tr>
<td>State automated reporting system and statewide longitudinal data system upgrades</td>
<td>10,100,000</td>
<td>0</td>
</tr>
<tr>
<td>Elementary and secondary school emergency education relief</td>
<td>305,266,879</td>
<td>0</td>
</tr>
<tr>
<td>Emergency education relief homeless children and youth program</td>
<td>1,999,661</td>
<td>0</td>
</tr>
<tr>
<td>Assistance to nonpublic schools</td>
<td>4,151,371</td>
<td>0</td>
</tr>
<tr>
<td>Individuals with Disabilities Education Act grant</td>
<td>8,632,569</td>
<td>0</td>
</tr>
<tr>
<td>School board training grants</td>
<td>0</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Statewide reading tool</td>
<td>0</td>
<td>1,600,000</td>
</tr>
<tr>
<td>Statewide teacher retention program</td>
<td>0</td>
<td>2,300,000</td>
</tr>
<tr>
<td>Total department of public instruction - all funds</td>
<td>$350,000,480</td>
<td>$10,970,000</td>
</tr>
<tr>
<td>Total department of public instruction - estimated income</td>
<td>349,800,480</td>
<td>10,900,000</td>
</tr>
<tr>
<td>Total department of public instruction - general fund</td>
<td>$200,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>State library</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COVID-19 salaries and wages</td>
<td>$86,669</td>
<td>$0</td>
</tr>
<tr>
<td>COVID-19 operating expenses</td>
<td>1,580,057</td>
<td>0</td>
</tr>
<tr>
<td>COVID-19 grants</td>
<td>500,000</td>
<td>0</td>
</tr>
<tr>
<td>Retirement leave payouts</td>
<td>0</td>
<td>40,000</td>
</tr>
<tr>
<td>Maintenance of effort</td>
<td>0</td>
<td>100,000</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>All Funds</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>1</td>
<td>IT equipment</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Building renovations</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Total state library - all funds</td>
<td>$2,166,726</td>
</tr>
<tr>
<td>4</td>
<td>Total state library - estimated income</td>
<td>$2,166,726</td>
</tr>
<tr>
<td>5</td>
<td>Total state library - general fund</td>
<td>$0</td>
</tr>
<tr>
<td>6</td>
<td>School for the deaf</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Campus server upgrade</td>
<td>$7,500</td>
</tr>
<tr>
<td>8</td>
<td>Operating expenses</td>
<td>21,500</td>
</tr>
<tr>
<td>9</td>
<td>Equipment</td>
<td>40,000</td>
</tr>
<tr>
<td>10</td>
<td>Boiler and resource center projects</td>
<td>650,000</td>
</tr>
<tr>
<td>11</td>
<td>Operating expense inflation</td>
<td>0</td>
</tr>
<tr>
<td>12</td>
<td>Boiler replacement</td>
<td>0</td>
</tr>
<tr>
<td>13</td>
<td>Fire alarm and controls</td>
<td>0</td>
</tr>
<tr>
<td>14</td>
<td>Total school for the deaf - all funds</td>
<td>$719,000</td>
</tr>
<tr>
<td>15</td>
<td>Total school for the deaf - estimated income</td>
<td>$719,000</td>
</tr>
<tr>
<td>16</td>
<td>Total school for the deaf - general fund</td>
<td>$0</td>
</tr>
<tr>
<td>17</td>
<td>North Dakota vision services - school for the blind</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Vision screening devices</td>
<td>$11,500</td>
</tr>
<tr>
<td>19</td>
<td>Replace flooring</td>
<td>10,000</td>
</tr>
<tr>
<td>20</td>
<td>Replace south wing air conditioning</td>
<td>40,000</td>
</tr>
<tr>
<td>21</td>
<td>Repair sidewalk, roof, and parking lot</td>
<td>24,000</td>
</tr>
<tr>
<td>22</td>
<td>Replace doors and key system</td>
<td>45,000</td>
</tr>
<tr>
<td>23</td>
<td>Heating, ventilation, and air conditioning upgrades</td>
<td>86,000</td>
</tr>
<tr>
<td>24</td>
<td>Install LED lighting</td>
<td>33,000</td>
</tr>
<tr>
<td>25</td>
<td>South wing electrical service</td>
<td>165,000</td>
</tr>
<tr>
<td>26</td>
<td>Equipment</td>
<td>0</td>
</tr>
<tr>
<td>27</td>
<td>Repairs and maintenance</td>
<td>0</td>
</tr>
<tr>
<td>28</td>
<td>Total school for the blind - estimated income</td>
<td>$414,500</td>
</tr>
<tr>
<td>29</td>
<td>Grand total - all funds</td>
<td>$353,300,706</td>
</tr>
<tr>
<td>30</td>
<td>Grand total - estimated income</td>
<td>$353,100,706</td>
</tr>
<tr>
<td>31</td>
<td>Grand total - general fund</td>
<td>$200,000</td>
</tr>
</tbody>
</table>
The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for
the 2025-27 biennium. The department of public instruction, state library, school for the deaf,
and North Dakota vision services - school for the blind shall report to the appropriations
committees of the sixty-ninth legislative assembly on the use of this one-time funding for the
biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 3. APPROPRIATION - TUITION APPORTIONMENT. The sum of $510,860,000,
included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is
from the state tuition fund in the state treasury. Any additional amount in the state tuition fund
that becomes available for distribution to public schools is appropriated to the department of
public instruction for that purpose for the biennium beginning July 1, 2023, and ending June 30,
2025.

SECTION 4. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND. The
estimated income line item in subdivision 1 of section 1 of this Act includes the sum of
$157,000,000 from the foundation aid stabilization fund for integrated formula payments.

SECTION 5. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS
FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes the sum
of $19,493,086 from the strategic investment and improvements fund for integrated formula
payments and certain passthrough grants.

SECTION 6. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION
CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may
expend funds included in the integrated formula payments and grants - special education
contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational
services that were due in the 2021-23 biennium but which were not filed, claimed, or properly
supported by the education provider until after June 30, 2023. To be reimbursed under this
section, claims must be properly supported and filed with the superintendent of public
instruction by June 30, 2024.

SECTION 7. GIFTED AND TALENTED PROGRAM. The sum of $800,000, included in the
integrated formula payments line item in subdivision 1 of section 1 of this Act, must be
distributed to reimburse school districts or special education units for gifted and talented
programs upon the submission of an application that is approved in accordance with guidelines
adopted by the superintendent of public instruction. The superintendent of public instruction
shall encourage cooperative efforts for gifted and talented programs among school districts and
special education units.

SECTION 8. MEDICAID MATCHING FUNDING AND SCHOOL APPROVAL -
WITHHOLDING AND DISTRIBUTION.

1. State school aid payments for special education must be reduced by the amount of
matching funds required to be paid by school districts or special education units for
students participating in the Medicaid program for the biennium beginning July 1,
2023, and ending June 30, 2025. Special education funds equal to the amount of the
matching funds required to be paid by the school district or special education unit must
be paid by the superintendent of public instruction to the department of health and
human services on behalf of the school district or unit.

2. State school aid payments for integrated formula payments must be reduced by the
amount of funds required to be paid by school districts for school approval for the
biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 9. REGIONAL EDUCATION ASSOCIATION MERGER GRANTS - ONE-TIME
FUNDING - DISTRIBUTION. The grants - program grants line item included in subdivision 1 of
section 1 of this Act includes $70,000 from the general fund for the purpose of providing a
one-time $35,000 grant to each regional education association that merges with another
regional education association to form a single entity with a single governing board during the
biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 10. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.
The integrated formula payments line item in subdivision 1 of section 1 of this Act includes
$700,000 from the general fund for the purpose of providing annual grants to regional education
associations for the biennium beginning July 1, 2023, and ending June 30, 2025. An annual
grant of $50,000 is provided to each regional education association that exists as of July 1,
2023. Regional education associations that merge during the 2023-25 biennium are entitled to
the annual grants that would have been paid to each of the member associations.

SECTION 11. USE OF NEW MONEY - NONADMINISTRATIVE PERSONNEL
COMPENSATION INCREASES.

1. During the 2023-25 biennium, the board of each school district shall use an amount
equal to at least seventy percent of all new money received by the district, resulting
Sixty-eighth
Legislative Assembly

from increases in the base integrated formula payment rate, to increase the
compensation and benefits paid to nonadministrative personnel.

2. For purposes of this section, the superintendent of public instruction shall provide
guidance to school districts regarding the calculation of the amount of new money
resulting from increases in the base integrated formula payment rate during the
2023-25 biennium.

SECTION 12. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL
EDUCATIONAL DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS.
Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect
cost recoveries in its operating account. In addition, any moneys collected by the department of
public instruction for general educational development fees and displaced homemakers
deposits must be deposited in the public instruction fund in the state treasury. Any funds
deposited in the public instruction fund may only be spent subject to appropriation by the
legislative assembly.

SECTION 13. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER -
GENERAL FUND. Notwithstanding section 54-44.1-11, if, after the superintendent of public
instruction complies with all statutory payment obligations imposed for the 2021-23 biennium,
from any moneys remaining in the integrated formula payments line item in subdivision 1 of
section 1 of chapter 13 of the 2021 Session Laws, the lesser of $16,549,000 or the remaining
amount must be continued into the 2023-25 biennium and the office of management and budget
shall transfer this amount into the public instruction fund for the purpose of providing program
and passthrough grants as appropriated in subdivision 1 of section 1 of this Act. The
superintendent of public instruction shall transfer any of these funds remaining unspent at the
end of the 2023-25 biennium to the general fund.

SECTION 14. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following
appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
the biennium beginning July 1, 2023, and ending June 30, 2025:
1. Any funds remaining from federal funds derived from the elementary and secondary
school emergency education relief fund and any other federal funds appropriated in
subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
Sixty-eighth
Legislative Assembly

2. Any funds remaining from federal funds appropriated in subsection 2 of section 6 of chapter 15 of the 2021 Session Laws, as amended in section 1 of chapter 548 of the 2021 Special Session Session Laws.

SECTION 15. EXEMPTION - UNEXPENDED STATE AUTOMATED REPORTING SYSTEM AND STATEWIDE LONGITUDINAL DATA SYSTEM UPGRADE APPROPRIATION - TRANSFER. The sum of $10,000,000 of special funds from the public instruction fund in the state treasury, derived from reimbursements withheld from school districts' integrated formula payments for the purpose of information technology project upgrades to the state automated reporting system and the statewide longitudinal data system, appropriated to the department of public instruction in section 17 of chapter 549 of the 2021 Special Session Session Laws, is not subject to the provisions of section 54-44.1-11 and any unexpended funds from this one-time appropriation may be continued and are available for information technology project upgrades to the state automated reporting system and the statewide longitudinal data system during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of public instruction shall transfer any funds continued in excess of $5,000,000 to the information technology department for statewide longitudinal data system upgrades.

SECTION 16. STATE AID TO PUBLIC LIBRARIES. The grants line item in subdivision 3 of section 1 of this Act includes $1,737,582 for aid to public libraries, of which no more than one-half may be expended during the fiscal year ending June 30, 2024.

SECTION 17. AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-02-02. Salary.

The annual salary of the superintendent of public instruction is one hundred twenty-seven thousand seven hundred sixty-eight thirty-eight thousand one hundred forty-two dollars through June 30, 2022, and one hundred thirty thousand three hundred twenty-three forty-three thousand six hundred sixty-eight dollars thereafter.

SECTION 18. AMENDMENT. Section 15.1-27-04.1 of the North Dakota Century Code is amended and reenacted as follows:

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:

   a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;

   b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;

   c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:

      (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;

      (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;

      (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2021-22 school year, seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, and an additional seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid each school year thereafter, until the
2024-25 school year when sixty-eight percent of tuition received under an
agreement to educate students from a school district on an air force base
with funding received through federal impact aid must be excluded from the
tuition calculation under this paragraph;

(4) Revenue from payments in lieu of taxes on the distribution and transmission
of electric power;

(5) Revenue from payments in lieu of taxes on electricity generated from
sources other than coal; and

(6) Revenue from the leasing of land acquired by the United States for which
compensation is allocated to the state under 33 U.S.C. 701(c)(3);

d. An amount equal to the total revenue received by the school district during the
2017-18 school year for the following revenue types:

(1) Mobile home tax revenue;

(2) Telecommunications tax revenue; and

(3) Revenue from payments in lieu of taxes and state reimbursement of the
homestead credit and disabled veterans credit; and

e. Beginning with the 2020-21 school year, the superintendent shall reduce the
baseline funding for any school district that becomes an elementary district
pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
be proportional to the number of weighted student units in the grades that are
offered through another school district relative to the total number of weighted
student units the school district offered in the year before the school district
became an elementary district. The reduced baseline funding applies to the
calculation of state aid for the first school year in which the school district
becomes an elementary district and for each year thereafter. For districts that
become an elementary district prior to the 2020-21 school year, the
superintendent shall use the reduced baseline funding to calculate state aid for
the 2020-21 school year and for each year thereafter.

2. a. The superintendent shall divide the district's baseline funding determined in
subsection 1 by the district's 2017-18 weighted student units to determine the
district's baseline funding per weighted student unit.
b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.

c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. The superintendent shall reduce the district's baseline funding per weighted student unit by fifteen percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2021-22 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.

3. a. For the 2021-22 school year, the superintendent shall calculate state aid as the greater of:

(1) The district's weighted student units multiplied by ten thousand one hundred thirty-six dollars;

(2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the
2017-18 baseline weighted student units multiplied by ten thousand one hundred thirty-six dollars; or

(3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by fifteen percent and then the difference added to the amount determined in paragraph 1.

b. For the 2022-23 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:

(1) The district's weighted student units multiplied by ten thousand two hundred thirty-seven dollars;

(2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand two hundred thirty-seven dollars; or

(3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by thirty percent for the 2022-23 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.

c. The superintendent also shall adjust state aid determined in this subsection to ensure the amount does not exceed the transition maximum as follows:

(1) For the 2021-22 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.

(2) For the 2022-23 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.
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(3) For the 2023-24 school year, the transition maximum rate is one hundred
ten percent of the district's baseline funding per weighted student unit, as
established in subsection 2, plus twenty percent of the difference between
the rate under paragraph 1 of subdivision b of this subsection and
one hundred ten percent of the district's baseline funding per weighted
student unit. The transition maximum is determined by multiplying the
transition maximum rate, which may not exceed the rate under paragraph 1
of subdivision b of this subsection, by the district's weighted student units
from the previous school year.

(4) For the 2024-25 school year, the transition maximum rate is one hundred
ten percent of the district's baseline funding per weighted student unit, as
established in subsection 2, plus forty percent of the difference between the
rate under paragraph 1 of subdivision b of this subsection and one hundred
ten percent of the district's baseline funding per weighted student unit. The
transition maximum is determined by multiplying the transition maximum
rate, which may not exceed the rate under paragraph 1 of subdivision b of
this subsection, by the district's weighted student units from the previous
school year.

(5) For the 2025-26 school year, the transition maximum rate is one hundred
ten percent of the district's baseline funding per weighted student unit, as
established in subsection 2, plus sixty percent of the difference between the
rate under paragraph 1 of subdivision b of this subsection and one hundred
ten percent of the district's baseline funding per weighted student unit. The
transition maximum is determined by multiplying the transition maximum
rate, which may not exceed the rate under paragraph 1 of subdivision b of
this subsection, by the district's weighted student units from the previous
school year.

(6) For the 2026-27 school year, the transition maximum rate is one hundred
ten percent of the district's baseline funding per weighted student unit, as
established in subsection 2, plus eighty percent of the difference between
the rate under paragraph 1 of subdivision b of this subsection and
one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.

4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:

   a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, except the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent, adjusted pursuant to section 15.1-27-04.3; and

   b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:

      (1) Tuition revenue shall be adjusted as follows:

         (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, tuition received for the education of high-cost and special education students, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and
The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.

After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2020 by the school district for sinking and interest relative to the total mills levied in 2020 by the school district for all purposes.

The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.

On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.

For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:

a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;

b. The total number of mills levied in the previous calendar year by each school district for all purposes; and

c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

Baseline funding - Establishment - Determination of state aid. (Effective after June 30, 2025)

To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;

b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;

c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:

   (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;

   (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;

   (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2025-26 school year, eighty-five percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, until the 2026-27 school year, and each school year thereafter, when all tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;

   (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;

   (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
(6) Revenue from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3); and

d. An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:

1. Mobile home tax revenue;
2. Telecommunications tax revenue; and
3. Revenue from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit.

e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.

2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.

b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid.
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for the first school year in which the school district becomes an elementary
district and for each year thereafter.

c. Beginning with the 2021-22 school year and for each school year thereafter, the
superintendent shall reduce the district's baseline funding per weighted student
unit. Each year the superintendent shall calculate the amount by which the
district's baseline funding per weighted student unit exceeds the payment per
weighted student unit provided in subsection 3. The superintendent shall reduce
the district's baseline funding per weighted student unit by fifteen percent of the
amount by which the district's baseline funding per weighted student unit exceeds
the payment per weighted student unit for the 2021-22 school year. For each
year thereafter, the reduction percentage is increased by an additional fifteen
percent. However, the district's baseline funding per weighted student unit, after
the reduction, may not be less than the payment per weighted student unit
provided in subsection 3.

3. a. For the 2021-22 school year, the superintendent shall calculate state aid as the
greater of:

(1) The district's weighted student units multiplied by ten thousand one hundred
thirty-six dollars;

(2) One hundred two percent of the district's baseline funding per weighted
student unit, as established in subsection 2, multiplied by the district's
weighted student units, not to exceed the district's 2017-18 baseline
weighted student units, plus any weighted student units in excess of the
2017-18 baseline weighted student units multiplied by ten thousand
one hundred thirty-six dollars; or

(3) The district's baseline funding as established in subsection 1 less the
amount in paragraph 1, with the difference reduced by fifteen percent and
then the difference added to the amount determined in paragraph 1.

b. For the 2022-23 school year and each school year thereafter, the superintendent
shall calculate state aid as the greater of:

(1) The district's weighted student units multiplied by ten thousand two hundred
thirty-seven dollars;
(2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by two hundred thirty-seven dollars; or

(3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by thirty percent for the 2022-23 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.

c. The superintendent also shall adjust state aid determined in this subsection to ensure the amount does not exceed the transition maximum as follows:

(1) For the 2021-22 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.

(2) For the 2022-23 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.

(3) For the 2023-24 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus twenty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.
(4) For the 2024-25 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus forty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.

(5) For the 2025-26 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus sixty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.

(6) For the 2026-27 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus eighty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.

4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
   a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district; and
b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:

(1) Tuition revenue shall be adjusted as follows:

(a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, tuition received for the education of high-cost and special education students, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and

(b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.

(2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2020 by the school district for sinking and interest relative to the total mills levied in 2020 by the school district for all purposes.

5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.
6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.

7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:

   a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;

   b. The total number of mills levied in the previous calendar year by each school district for all purposes; and

   c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

SECTION 19. AMENDMENT. Section 15.1-32-01 of the North Dakota Century Code is amended and reenacted as follows:


As used in this chapter:

1. "Major life activities" include learning, walking, talking, breathing, and caring for oneself.

2. "Related services" means transportation and developmental and corrective or supportive services required to assist a student with disabilities to benefit from special education.

3. "Special education" means instruction designed to meet the needs of a student with disabilities, transportation, and corrective and supporting services required to assist a student with disabilities in taking advantage of, or responding to, educational programs and opportunities.

4. "Student who is gifted" means an individual who is identified by qualified professionals as being capable of high performance and who needs educational programs and services beyond those normally provided in a regular education program.

5. a. "Student with a disability" means an individual who is at least three years of age but who has not reached the age of twenty-one before August first of the year in
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which the individual turns twenty-one and who requires special education and related services because of:

(1) An intellectual disability;
(2) A hearing impairment, including deafness;
(3) Deaf-blindness;
(4) A speech or language impairment;
(5) A visual impairment, including blindness;
(6) An emotional disturbance;
(7) An orthopedic impairment;
(8) Autism;
(9) A traumatic brain injury;
(10) Other health impairment; or
(11) A specific learning disability.

b. "Student with a disability" includes a student age eighteen through twenty-one who is incarcerated in an adult correctional facility and who, in the last educational placement prior to incarceration, was identified as being a student with a disability and did not have an individualized education program or was identified as being a student with a disability and had an individualized education program.

6. "Student with a significant medical condition" means a student with a physical or mental impairment, whether permanent or temporary, which substantially limits one or more major life activities and who is not entitled to special education and related services.

SECTION 20. AMENDMENT. Section 15.1-32-14 of the North Dakota Century Code is amended and reenacted as follows:


1. If in the opinion of an individualized education program team or a services plan team a student with a disability or a student with a significant medical condition is unable to attend a public school in the special education unit to which the student's school district of residence belongs, the student's school district of residence shall
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contract release the student at the time deemed necessary to begin attendance with
another public school that:

a. Does not belong to the same special education unit;
b. Is located in this state;
c. Is willing to admit the student; and
d. Is able to provide appropriate services to the student.

2. The superintendent of public instruction shall approve in advance the terms of the
contract and the services to be provided by the admitting school.

3. The contract must provide that the student's school district of residence is liable for the
cost of educating the student.

4. Upon being notified by the district in which the student receives services that the
student's school district of residence has not paid for services that were provided to
the student, the superintendent of public instruction, after verification, shall withhold all
state aid payments to which the student's school district of residence is entitled, until
the required payments have been made.

SECTION 21. AMENDMENT. Section 15.1-32-18 of the North Dakota Century Code is
amended and reenacted as follows:

15.1-32-18. Cost - Liability of school district for special education and other high-cost
services.

1. Each year the superintendent of public instruction shall identify the approximately one
percent of special education students with a disability and students with a significant
medical condition statewide who are not eligible for cost reimbursement under section
15.1-29-14 and who require the greatest school district expenditures in order to
provide them with education and services, including special education and related
services. This percentage represents the number of students that would qualify for
excess cost reimbursement beyond the multiplier that is established in subsection 3.

2. The excess costs of providing special education and related services to these students
are the responsibility of the state and the superintendent of public instruction shall
reimburse the school districts for any excess costs incurred in the provision of special-
education and related services to the identified students.
3. "Excess costs" are those that exceed four times the state average cost of education per student and which are incurred by the special education students identified in subsection 1.

4. All costs of providing special education and related services to those students identified in subsection 1, other than excess costs reimbursed by the state, are the responsibility of the student's school district of residence.

5. In addition to any other reimbursements provided under this section, if a school district expends more than two percent of its annual budget for the provision of special education and related services to one student with a disability or significant medical condition, the district shall notify the superintendent of public instruction. Upon verification, the superintendent shall reimburse the district for the difference between:

   a. Two percent of the district's annual budget; and

   b. The lesser of:

      (1) The amount actually expended by the district for the provision of special education and related services to that student; or

      (2) The amount representing four times the state average cost of education per student.

SECTION 22. AMENDMENT. Section 54-24.3-01 of the North Dakota Century Code is amended and reenacted as follows:

54-24.3-01. Definitions.

In this chapter, unless the context otherwise requires:

1. "Academic library" means a library that is part of a college or university that is publicly or privately funded and whose primary role is to provide resources to enrich and support the school's curricula and the research needs of students and faculty.

2. "Library resource center" means a central service unit, whose location is to be agreed upon by members of the regional library cooperative and which is responsible for extending special services to support members of the regional library cooperative, while meeting all cooperative standards.

3. "Multitype library authority" means a geographic subdivision within which multitype libraries are organized for the purpose of providing library and information services through cooperation and mutual support.
4. "Participant library" means any library agreeing to join a regional library cooperative.

5. "Public library" means a library that is supported with funds derived from taxation and which maintains a balanced collection of materials to serve the lifelong information, reading, and recreational needs of the general population. For purposes of this chapter, "public library" includes tribal libraries.

6. "Regional library cooperative" means an organization of one or more types of library organized under Article VI of section 54-24.1-01, or a multitype library authority.

7. "School library media center" means a learning center operated as part of a publicly or privately supported school or school district and whose role is to provide instruction, cooperatively design learning strategies, and provide resources that support and enrich the curriculum, following the North Dakota school library media guidelines.

8. "Special library" means a public or private sector library whose collection is specialized and limited in scope and size and whose role is to provide information to a limited clientele.

SECTION 23. EFFECTIVE DATE. Senate Bill No. 2269, as approved by the sixty-eighth legislative assembly, becomes effective July 1, 2023. Sections 3, 4, and 7 of Senate Bill No. 2050, as approved by the sixty-eighth legislative assembly, become effective May 15, 2023.

SECTION 24. EMERGENCY. Sections 3, 4, and 7 of Senate Bill No. 2050 and Senate Bill No. 2269, as approved by the sixty-eighth legislative assembly, are declared to be an emergency measure.