

**SECOND ENGROSSMENT
with Conference Committee Amendments
REENGROSSED SENATE BILL NO. 2284**

Introduced by

Senators Schaible, Elkin

Representatives Heinert, Nathe

1 A BILL for an Act to create and enact a new section to chapter 15.1-21 of the North Dakota
2 Century Code, relating to permitting private tutors on public school premises; to amend and
3 reenact section 15.1-07-26, subsection 8 of section 15.1-15-02, subsections 2 and 6 of section
4 15.1-19-10, section 15.1-27-03.1, subsection 4 of section 15.1-27-03.2, section 15.1-27-04.1,
5 and subsection 5 of section 15.1-36-08 of the North Dakota Century Code, relating to school
6 district enrollment, the definition of "probationary teacher", a school district's policy governing
7 possession of a weapon, the definition of "dangerous weapon", modification of weighting
8 factors, transition maximums and an increase in per student payments, and the school
9 construction revolving loan fund; to provide for a legislative management study; to provide a
10 legislative management report; to provide an appropriation; to provide for an exemption; to
11 provide for a transfer; and to provide an effective date.

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

13 **SECTION 1. AMENDMENT.** Section 15.1-07-26 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **15.1-07-26. School district demographics and enrollment - ~~Long-term planning~~**
16 **~~process~~Review - Report.**

17 1. Between January first and June thirtieth of every even-numbered year, the board of
18 each school district ~~shall~~may invite the public to participate in a ~~planning-~~
19 ~~process~~review addressing the effects that demographics ~~might~~and changing
20 enrollment will have on the district in the ensuing three-year and five-year periods, and
21 specifically addressing potential effects on:

22 a. ~~Academic and extracurricular programs~~achievement, as it relates to the local
23 strategic plan, including progress toward state academic goals adopted by the

1 statewide prekindergarten through grade twelve education strategic vision

2 steering committee;

3 b. Instructional and administrative, and ancillary staffing;

4 c. Co-curricular or extracurricular programs;

5 d. Facility needs and utilization; and

6 ~~d.e.~~ District property tax levies.

7 2. At the conclusion of the ~~planning process~~review, the board ~~shall~~is encouraged to
8 prepare a report, ~~publish a notice in the official newspaper of the district indicating that~~
9 ~~the report is available~~make the report available on the district website, and make the
10 report available upon request.

11 **SECTION 2. AMENDMENT.** Subsection 8 of section 15.1-15-02 of the North Dakota

12 Century Code is amended and reenacted as follows:

13 8. For purposes of this section, "probationary teacher" means an individual teaching for
14 less than two years in the school district.

15 **SECTION 3. AMENDMENT.** Subsection 2 of section 15.1-19-10 of the North Dakota

16 Century Code is amended and reenacted as follows:

17 2. The policy must ~~prohibit~~:

18 a. Prohibit the possession of a dangerous weapon or a firearm by a student on
19 school property and at school functions and provide for the punishment of any
20 student found to be in violation. ~~Punishment must include immediate suspension~~
21 ~~from school and expulsion. A~~

22 b. Require a student who possesses a firearm in violation of this section ~~must~~to be
23 expelled for at least one year. ~~The school district firearms policy must authorize~~

24 c. Authorize the school district superintendent or the school principal, if the school
25 district does not have a superintendent, to modify an expulsion for firearms
26 possession under this section on a case-by-case basis in accordance with criteria
27 established by the board. Before expelling a student, a school board or its
28 designated hearing officer, within ten days of the student's suspension, shall
29 provide the student with a hearing at which time the school board or its
30 designated hearing officer shall take testimony and consider evidence, including
31 the existence of mitigating circumstances. If a designated hearing officer orders

1 that a student be expelled, the student may seek a review of the decision by the
2 school board, based on the record of the expulsion hearing.

3 d. Include a referral mechanism to the criminal justice or juvenile delinquency
4 system for a student who possesses a firearm in violation of this subsection.

5 **SECTION 4. AMENDMENT.** Subsection 6 of section 15.1-19-10 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 6. For purposes of this section:

8 a. "Dangerous weapon" has the meaning provided in 18 U.S.C. 930(g)(2).

9 b. "Firearm" has the meaning provided in Public Law No. 90-351 [82 Stat. 197;
10 18 U.S.C. 921].

11 b.c. "School property" includes all land within the perimeter of the school site and all
12 school buildings, structures, facilities, and school vehicles, whether owned or
13 leased by a school district, and the site of any school-sponsored event or activity.

14 **SECTION 5.** A new section to chapter 15.1-21 of the North Dakota Century Code is created
15 and enacted as follows:

16 **Private tutors.**

17 A board of a school district may adopt a policy to permit private tutors to provide tutoring
18 services on school premises.

19 **SECTION 6. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **15.1-27-03.1. Weighted average daily membership - Determination.**

22 1. For each school district, the superintendent of public instruction shall multiply by:

23 a. 1.00 the number of full-time equivalent students enrolled in an extended
24 educational program in accordance with section 15.1-32-17;

25 b. 0.60 the number of full-time equivalent students enrolled in a summer education
26 program, including a migrant summer education program;

27 c. 0.40 the number of full-time equivalent students who:

28 (1) On a test of English language proficiency approved by the superintendent of
29 public instruction are determined to be least proficient and placed in the first
30 of six categories of proficiency; and

31 (2) Are enrolled in a program of instruction for English language learners;

- 1 d. 0.28 the number of full-time equivalent students who:
- 2 (1) On a test of English language proficiency approved by the superintendent of
- 3 public instruction are determined to be more proficient than students placed
- 4 in the first of six categories of proficiency and therefore placed in the second
- 5 of six categories of proficiency; and
- 6 (2) Are enrolled in a program of instruction for English language learners;
- 7 e. 0.25 the number of full-time equivalent students under the age of twenty-one
- 8 enrolled in grades nine through twelve in an alternative high school;
- 9 f. 0.20 the number of full-time equivalent students enrolled in a home-based
- 10 education program and monitored by the school district under chapter 15.1-23;
- 11 g. 0.17 the number of full-time equivalent students enrolled in an early childhood
- 12 special education program;
- 13 h. 0.15 the number of full-time equivalent students in grades six through eight
- 14 enrolled in an alternative education program for at least an average of fifteen
- 15 hours per week;
- 16 i. 0.10 the number of students enrolled in average daily membership, if the district
- 17 has fewer than one hundred students enrolled in average daily membership and
- 18 the district consists of an area greater than two hundred seventy-five square
- 19 miles [19424.9 hectares], provided that any school district consisting of an area
- 20 greater than six hundred square miles [155399 hectares] and enrolling fewer than
- 21 fifty students in average daily membership must be deemed to have an
- 22 enrollment equal to fifty students in average daily membership;
- 23 j. ~~0.0820.088~~ the number of students enrolled in average daily membership, in
- 24 order to support the provision of special education services;
- 25 k. 0.07 the number of full-time equivalent students who:
- 26 (1) On a test of English language proficiency approved by the superintendent of
- 27 public instruction are determined to be more proficient than students placed
- 28 in the second of six categories of proficiency and therefore placed in the
- 29 third of six categories of proficiency;
- 30 (2) Are enrolled in a program of instruction for English language learners; and

- 1 (3) Have not been in the third of six categories of proficiency for more than
2 three years;
- 3 l. 0.025 the number of students representing that percentage of the total number of
4 students in average daily membership which is equivalent to the three-year
5 average percentage of students in grades three through eight who are eligible for
6 free or reduced lunches under the Richard B. Russell National School Lunch Act
7 [42 U.S.C. 1751 et seq.];
- 8 m. 0.002 the number of students enrolled in average daily membership in a school
9 district that is a participating member of a regional education association meeting
10 the requirements of chapter 15.1-09.1;
- 11 n. ~~0.601.0~~ the number of students by which the district's September tenth
12 enrollment report exceeds the number of students in the prior year's average
13 daily membership ~~increasing the factor annually by 0.10, not to exceed 1.00~~; and
- 14 o. For districts paid based on September tenth enrollment in the prior year, ~~0.500.70~~
15 the number of students determined by deducting the number of students in the
16 prior year's September tenth enrollment from the prior year's average daily
17 membership, increasing the factor annually by 0.10, not to exceed 1.00. If the
18 prior year's September tenth enrollment exceeds the prior year's average daily
19 membership, then a deduction of 0.50 the number of excess students, increasing
20 the factor annually by 0.10, not to exceed 1.00.
- 21 2. The superintendent of public instruction shall determine each school district's weighted
22 average daily membership by adding the products derived under subsection 1 to the
23 district's average daily membership.

24 **SECTION 7. AMENDMENT.** Subdivision o of subsection 1 of section 15.1-27-03.1 of the
25 North Dakota Century Code is amended and reenacted as follows:

- 26 o. For districts paid based on September tenth enrollment in the prior year, ~~0.701.00~~
27 the number of students determined by deducting the number of students in the
28 prior year's September tenth enrollment from the prior year's average daily
29 membership, ~~increasing the factor annually by 0.10, not to exceed 1.00~~. If the
30 prior year's September tenth enrollment exceeds the prior year's average daily

1 membership, then a deduction of ~~0.50~~1.00 the number of excess students,
2 increasing the factor annually by 0.10, not to exceed 1.00.

3 **SECTION 8. AMENDMENT.** Subsection 4 of section 15.1-27-03.2 of the North Dakota
4 Century Code is amended and reenacted as follows:

5 4. The school district size weighting factor determined under this section and multiplied
6 by a school district's weighted average daily membership equals the district's weighted
7 student units. For ~~the 2022-23 school year~~, for school districts that operate multiple
8 kindergarten through grade twelve buildings at least ~~nineteen~~fourteen miles
9 [~~30.58~~22.53 kilometers] apart, or multiple buildings at least ~~nineteen~~fourteen miles
10 [~~30.58~~22.53 kilometers] apart with no replicated grades, the superintendent of public
11 instruction shall determine the school size weighting factor for each building
12 separately, with no adjustment for elementary schools. The superintendent of public
13 instruction shall multiply the school size weighting factor for each building by the
14 school district's weighted average daily membership to determine each building's
15 weighted student units. The superintendent of public instruction shall combine the
16 weighted student units of all buildings in the school district to determine the school
17 district's weighted student units.

18 **SECTION 9. AMENDMENT.** Subsection 4 of section 15.1-27-03.2 of the North Dakota
19 Century Code is amended and reenacted as follows:

20 4. The school district size weighting factor determined under this section and multiplied
21 by a school district's weighted average daily membership equals the district's weighted
22 student units. For for school districts that operate multiple kindergarten through grade
23 twelve buildings at least ~~fourteen~~ miles [22.53 kilometers] apart, or multiple buildings
24 at least ~~fourteen~~ miles [22.53 kilometers] apart with no replicated grades, the
25 superintendent of public instruction shall determine the school size weighting factor for
26 each building separately, ~~with no adjustment for elementary schools~~. The
27 superintendent of public instruction shall multiply the school size weighting factor for
28 each building by the school district's weighted average daily membership to determine
29 each building's weighted student units. The superintendent of public instruction shall
30 combine the weighted student units of all buildings in the school district to determine
31 the school district's weighted student units.

1 **SECTION 10. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**
4 **through June 30, 2025)**

- 5 1. To determine the amount of state aid payable to each district, the superintendent of
6 public instruction shall establish each district's baseline funding. A district's baseline
7 funding consists of:
- 8 a. All state aid received by the district in accordance with chapter 15.1-27 during the
9 2018-19 school year;
 - 10 b. An amount equal to the property tax deducted by the superintendent of public
11 instruction to determine the 2018-19 state aid payment;
 - 12 c. An amount equal to seventy-five percent of the revenue received by the school
13 district during the 2017-18 school year for the following revenue types:
 - 14 (1) Revenue reported under code 2000 of the North Dakota school district
15 financial accounting and reporting manual, as developed by the
16 superintendent of public instruction in accordance with section 15.1-02-08;
 - 17 (2) Mineral revenue received by the school district through direct allocation from
18 the state treasurer and not reported under code 2000 of the North Dakota
19 school district financial accounting and reporting manual, as developed by
20 the superintendent of public instruction in accordance with section
21 15.1-02-08;
 - 22 (3) Tuition reported under code 1300 of the North Dakota school district
23 financial accounting and reporting manual, as developed by the
24 superintendent of public instruction in accordance with section 15.1-02-08,
25 with the exception of revenue received specifically for the operation of an
26 educational program provided at a residential treatment facility, tuition
27 received for the provision of an adult farm management program, and
28 beginning in the 2021-22 school year, seventeen percent of tuition received
29 under an agreement to educate students from a school district on an
30 air force base with funding received through federal impact aid, and an
31 additional seventeen percent of tuition received under an agreement to

- 1 educate students from a school district on an air force base with funding
2 received through federal impact aid each school year thereafter, until the
3 2024-25 school year when sixty-eight percent of tuition received under an
4 agreement to educate students from a school district on an air force base
5 with funding received through federal impact aid must be excluded from the
6 tuition calculation under this paragraph;
- 7 (4) Revenue from payments in lieu of taxes on the distribution and transmission
8 of electric power;
- 9 (5) Revenue from payments in lieu of taxes on electricity generated from
10 sources other than coal; and
- 11 (6) Revenue from the leasing of land acquired by the United States for which
12 compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- 13 d. An amount equal to the total revenue received by the school district during the
14 2017-18 school year for the following revenue types:
- 15 (1) Mobile home tax revenue;
- 16 (2) Telecommunications tax revenue; and
- 17 (3) Revenue from payments in lieu of taxes and state reimbursement of the
18 homestead credit and disabled veterans credit; and
- 19 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
20 baseline funding for any school district that becomes an elementary district
21 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
22 be proportional to the number of weighted student units in the grades that are
23 offered through another school district relative to the total number of weighted
24 student units the school district offered in the year before the school district
25 became an elementary district. The reduced baseline funding applies to the
26 calculation of state aid for the first school year in which the school district
27 becomes an elementary district and for each year thereafter. For districts that
28 become an elementary district prior to the 2020-21 school year, the
29 superintendent shall use the reduced baseline funding to calculate state aid for
30 the 2020-21 school year and for each year thereafter.

- 1 2. a. The superintendent shall divide the district's baseline funding determined in
2 subsection 1 by the district's 2017-18 weighted student units to determine the
3 district's baseline funding per weighted student unit.
- 4 b. For any school district that becomes an elementary district pursuant to section
5 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
6 district's baseline funding per weighted student unit used to calculate state aid.
7 The superintendent shall divide the district's baseline funding determined in
8 subsection 1 by the district's weighted student units after the school district
9 becomes an elementary district to determine the district's adjusted baseline
10 funding per weighted student unit. The superintendent shall use the district's
11 adjusted baseline funding per weighted student unit in the calculation of state aid
12 for the first school year in which the school district becomes an elementary
13 district and for each year thereafter.
- 14 c. Beginning with the 2021-22 school year and for each school year thereafter, the
15 superintendent shall reduce the district's baseline funding per weighted student
16 unit. Each year the superintendent shall calculate the amount by which the
17 district's baseline funding per weighted student unit exceeds the payment per
18 weighted student unit provided in subsection 3. The superintendent shall reduce
19 the district's baseline funding per weighted student unit by fifteen percent of the
20 amount by which the district's baseline funding per weighted student unit exceeds
21 the payment per weighted student unit for the 2021-22 school year. For each
22 year thereafter, the reduction percentage is increased by an additional fifteen
23 percent. However, the district's baseline funding per weighted student unit, after
24 the reduction, may not be less than the payment per weighted student unit
25 provided in subsection 3.
- 26 3. a. For the ~~2021-22~~2023-24 school year, the superintendent shall calculate state aid
27 as the greater of:
- 28 (1) The district's weighted student units multiplied by ten thousand ~~one hundred~~
29 ~~thirty-six~~six hundred forty-six dollars;
- 30 (2) One hundred two percent of the district's baseline funding per weighted
31 student unit, as established in subsection 2, multiplied by the district's

- 1 weighted student units, not to exceed the district's 2017-18 baseline
2 weighted student units, plus any weighted student units in excess of the
3 2017-18 baseline weighted student units multiplied by ten thousand
4 ~~one hundred thirty-six~~six hundred forty-six dollars; or
- 5 (3) The district's baseline funding as established in subsection 1 less the
6 amount in paragraph 1, with the difference reduced by ~~fifteen~~forty-five
7 percent and then the difference added to the amount determined in
8 paragraph 1.
- 9 b. For the ~~2022-23~~2024-25 school year and each school year thereafter, the
10 superintendent shall calculate state aid as the greater of:
- 11 (1) The district's weighted student units multiplied by ~~ten~~eleven thousand ~~two~~
12 ~~hundred thirty-seven~~seventy-two dollars;
- 13 (2) One hundred two percent of the district's baseline funding per weighted
14 student unit, as established in subsection 2, multiplied by the district's
15 weighted student units, not to exceed the district's 2017-18 baseline
16 weighted student units, plus any weighted student units in excess of the
17 2017-18 baseline weighted student units multiplied by ~~ten~~eleven thousand
18 ~~two hundred thirty-seven~~seventy-two dollars; or
- 19 (3) The district's baseline funding as established in subsection 1 less the
20 amount in paragraph 1, with the difference reduced by ~~thirty~~sixty percent for
21 the ~~2022-23~~2024-25 school year and the reduction percentage increasing
22 by fifteen percent each school year thereafter until the difference is reduced
23 to zero, and then the difference added to the amount determined in
24 paragraph 1.
- 25 e. ~~The superintendent also shall adjust state aid determined in this subsection to~~
26 ~~ensure the amount does not exceed the transition maximum as follows:~~
- 27 (4) ~~For the 2021-22 school year, the transition maximum rate is one hundred~~
28 ~~ten percent of the district's baseline funding per weighted student unit, as~~
29 ~~established in subsection 2, multiplied by the district's weighted student~~
30 ~~units from the previous school year.~~

- 1 (2) For the 2022-23 school year, the transition maximum rate is one hundred
2 ten percent of the district's baseline funding per weighted student unit, as
3 established in subsection 2, multiplied by the district's weighted student
4 units from the previous school year.
- 5 (3) For the 2023-24 school year, the transition maximum rate is one hundred
6 ten percent of the district's baseline funding per weighted student unit, as
7 established in subsection 2, plus twenty percent of the difference between
8 the rate under paragraph 1 of subdivision b of this subsection and
9 one hundred ten percent of the district's baseline funding per weighted
10 student unit. The transition maximum is determined by multiplying the
11 transition maximum rate, which may not exceed the rate under paragraph 1
12 of subdivision b of this subsection, by the district's weighted student units
13 from the previous school year.
- 14 (4) For the 2024-25 school year, the transition maximum rate is one hundred
15 ten percent of the district's baseline funding per weighted student unit, as
16 established in subsection 2, plus forty percent of the difference between the
17 rate under paragraph 1 of subdivision b of this subsection and one hundred
18 ten percent of the district's baseline funding per weighted student unit. The
19 transition maximum is determined by multiplying the transition maximum
20 rate, which may not exceed the rate under paragraph 1 of subdivision b of
21 this subsection, by the district's weighted student units from the previous
22 school year.
- 23 (5) For the 2025-26 school year, the transition maximum rate is one hundred
24 ten percent of the district's baseline funding per weighted student unit, as
25 established in subsection 2, plus sixty percent of the difference between the
26 rate under paragraph 1 of subdivision b of this subsection and one hundred
27 ten percent of the district's baseline funding per weighted student unit. The
28 transition maximum is determined by multiplying the transition maximum
29 rate, which may not exceed the rate under paragraph 1 of subdivision b of
30 this subsection, by the district's weighted student units from the previous
31 school year.

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

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

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

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

21 (1) Tuition revenue shall be adjusted as follows:

22 (a) In addition to deducting tuition revenue received specifically for the
23 operation of an educational program provided at a residential
24 treatment facility, tuition revenue received for the provision of an adult
25 farm management program, and tuition received under an agreement
26 to educate students from a school district on an air force base with
27 funding received through federal impact aid as directed each school
28 year in paragraph 3 of subdivision c of subsection 1, the
29 superintendent of public instruction also shall reduce the total tuition
30 reported by the school district by the amount of tuition revenue
31 received for the education of students not residing in the state and for

1 which the state has not entered a cross-border education contract;
2 and

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

8 (2) After adjusting tuition revenue as provided in paragraph 1, the
9 superintendent shall reduce all remaining revenues from all revenue types
10 by the percentage of mills levied in ~~2020~~2022 by the school district for
11 sinking and interest relative to the total mills levied in ~~2020~~2022 by the
12 school district for all purposes.

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

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

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

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

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

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

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

- 1 1. To determine the amount of state aid payable to each district, the superintendent of
2 public instruction shall establish each district's baseline funding. A district's baseline
3 funding consists of:
- 4 a. All state aid received by the district in accordance with chapter 15.1-27 during the
5 2018-19 school year;
- 6 b. An amount equal to the property tax deducted by the superintendent of public
7 instruction to determine the 2018-19 state aid payment;
- 8 c. An amount equal to seventy-five percent of the revenue received by the school
9 district during the 2017-18 school year for the following revenue types:
- 10 (1) Revenue reported under code 2000 of the North Dakota school district
11 financial accounting and reporting manual, as developed by the
12 superintendent of public instruction in accordance with section 15.1-02-08;
- 13 (2) Mineral revenue received by the school district through direct allocation from
14 the state treasurer and not reported under code 2000 of the North Dakota
15 school district financial accounting and reporting manual, as developed by
16 the superintendent of public instruction in accordance with section
17 15.1-02-08;
- 18 (3) Tuition reported under code 1300 of the North Dakota school district
19 financial accounting and reporting manual, as developed by the
20 superintendent of public instruction in accordance with section 15.1-02-08,
21 with the exception of revenue received specifically for the operation of an
22 educational program provided at a residential treatment facility, tuition
23 received for the provision of an adult farm management program, and
24 beginning in the 2025-26 school year, eighty-five percent of tuition received
25 under an agreement to educate students from a school district on an
26 air force base with funding received through federal impact aid, until the
27 2026-27 school year, and each school year thereafter, when all tuition
28 received under an agreement to educate students from a school district on
29 an air force base with funding received through federal impact aid must be
30 excluded from the tuition calculation under this paragraph;

- 1 (4) Revenue from payments in lieu of taxes on the distribution and transmission
2 of electric power;
- 3 (5) Revenue from payments in lieu of taxes on electricity generated from
4 sources other than coal; and
- 5 (6) Revenue from the leasing of land acquired by the United States for which
6 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- 7 d. An amount equal to the total revenue received by the school district during the
8 2017-18 school year for the following revenue types:
- 9 (1) Mobile home tax revenue;
- 10 (2) Telecommunications tax revenue; and
- 11 (3) Revenue from payments in lieu of taxes and state reimbursement of the
12 homestead credit and disabled veterans credit.
- 13 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
14 baseline funding for any school district that becomes an elementary district
15 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
16 be proportional to the number of weighted student units in the grades that are
17 offered through another school district relative to the total number of weighted
18 student units the school district offered in the year before the school district
19 became an elementary district. The reduced baseline funding applies to the
20 calculation of state aid for the first school year in which the school district
21 becomes an elementary district and for each year thereafter. For districts that
22 become an elementary district prior to the 2020-21 school year, the
23 superintendent shall use the reduced baseline funding to calculate state aid for
24 the 2020-21 school year and for each year thereafter.
- 25 2. a. The superintendent shall divide the district's baseline funding determined in
26 subsection 1 by the district's 2017-18 weighted student units to determine the
27 district's baseline funding per weighted student unit.
- 28 b. For any school district that becomes an elementary district pursuant to section
29 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
30 district's baseline funding per weighted student unit used to calculate state aid.
31 The superintendent shall divide the district's baseline funding determined in

1 subsection 1 by the district's weighted student units after the school district
2 becomes an elementary district to determine the district's adjusted baseline
3 funding per weighted student unit. The superintendent shall use the district's
4 adjusted baseline funding per weighted student unit in the calculation of state aid
5 for the first school year in which the school district becomes an elementary
6 district and for each year thereafter.

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

19 3. a. For the ~~2021-22~~2023-24 school year, the superintendent shall calculate state aid
20 as the greater of:

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

23 (2) One hundred two percent of the district's baseline funding per weighted
24 student unit, as established in subsection 2, multiplied by the district's
25 weighted student units, not to exceed the district's 2017-18 baseline
26 weighted student units, plus any weighted student units in excess of the
27 2017-18 baseline weighted student units multiplied by ten thousand
28 ~~one hundred thirty-six~~six hundred forty-six dollars; or

29 (3) The district's baseline funding as established in subsection 1 less the
30 amount in paragraph 1, with the difference reduced by ~~fifteen~~forty-five

1 percent and then the difference added to the amount determined in
2 paragraph 1.

3 b. For the ~~2022-23~~2024-25 school year and each school year thereafter, the
4 superintendent shall calculate state aid as the greater of:

5 (1) The district's weighted student units multiplied by ~~tene~~eleven thousand ~~two~~
6 ~~hundred thirty-seve~~seventy-two dollars;

7 (2) One hundred two percent of the district's baseline funding per weighted
8 student unit, as established in subsection 2, multiplied by the district's
9 weighted student units, not to exceed the district's 2017-18 baseline
10 weighted student units, plus any weighted student units in excess of the
11 2017-18 baseline weighted student units multiplied by ~~tene~~eleven thousand
12 ~~two hundred thirty-seve~~seventy-two dollars; or

13 (3) The district's baseline funding as established in subsection 1 less the
14 amount in paragraph 1, with the difference reduced by ~~thirtysixty~~sixty percent for
15 the ~~2022-23~~2024-25 school year and the reduction percentage increasing
16 by fifteen percent each school year thereafter until the difference is reduced
17 to zero, and then the difference added to the amount determined in
18 paragraph 1.

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

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

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

29 (3) ~~For the 2023-24 school year, the transition maximum rate is one hundred~~
30 ~~ten percent of the district's baseline funding per weighted student unit, as~~
31 ~~established in subsection 2, plus twenty percent of the difference between~~

1 the rate under paragraph 1 of subdivision b of this subsection and
2 one hundred ten percent of the district's baseline funding per weighted
3 student unit. The transition maximum is determined by multiplying the
4 transition maximum rate, which may not exceed the rate under paragraph 1
5 of subdivision b of this subsection, by the district's weighted student units
6 from the previous school year.

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

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

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

1 of subdivision b of this subsection, by the district's weighted student units-
2 from the previous school year.

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

5 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
6 school district; and

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

11 (1) Tuition revenue shall be adjusted as follows:

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

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

29 (2) After adjusting tuition revenue as provided in paragraph 1, the
30 superintendent shall reduce all remaining revenues from all revenue types
31 by the percentage of mills levied in ~~2020~~2022 by the school district for

1 sinking and interest relative to the total mills levied in ~~2020~~2022 by the
2 school district for all purposes.

- 3 5. The amount remaining after the computation required under subsection 4 is the
4 amount of state aid to which a school district is entitled, subject to any other statutory
5 requirements or limitations.
- 6 6. On or before June thirtieth of each year, the school board shall certify to the
7 superintendent of public instruction the final average daily membership for the current
8 school year.
- 9 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration
10 with the school districts, shall report the following to the superintendent of public
11 instruction on an annual basis:
- 12 a. The amount of revenue received by each school district in the county during the
13 previous school year for each type of revenue identified in subdivisions c and d of
14 subsection 1;
- 15 b. The total number of mills levied in the previous calendar year by each school
16 district for all purposes; and
- 17 c. The number of mills levied in the previous calendar year by each school district
18 for sinking and interest fund purposes.

19 **SECTION 11. AMENDMENT.** Subsection 5 of section 15.1-36-08 of the North Dakota
20 Century Code is amended and reenacted as follows:

- 21 5. If the superintendent of public instruction approves the loan, the Bank of North Dakota
22 shall issue a loan from the school construction assistance revolving loan fund. For a
23 loan made under this section:
- 24 a. ~~The~~if the school construction project totals less than seventy-five million dollars,
25 the maximum loan amount for which a school district may qualify is
26 ~~ten~~fifteen million dollars. However, if a school district's unobligated general fund
27 balance on the preceding June thirtieth exceeds the limitation under section
28 15.1-27-35.3, the loan amount under this section may not exceed eighty percent
29 of the project's cost up to a maximum loan amount of ~~eight~~twelve million dollars;
- 30 b. If the school construction project totals seventy-five million dollars or more, the
31 maximum loan amount for which a school district may qualify is thirty million

1 dollars. However, if a school district's unobligated general fund balance on the
2 preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the
3 loan amount under this section may not exceed eighty percent of the project's
4 cost up to a maximum loan amount of twenty-four million dollars;

5 c. The term of the loan is twenty years, unless the board of the school district
6 requests a shorter term in the written loan application; and

7 e-d. The interest rate of the loan may not exceed two percent per year.

8 e. A district with a school construction loan secured on the open bond market may
9 apply to refinance the loan when callable with the school construction assistance
10 revolving loan fund under this subsection.

11 f. A district that qualifies for a loan under subdivision a, which was approved for a
12 loan of up to ten million dollars for a construction project bid after January 1,
13 2021, and before June 30, 2024, may apply for a loan in an amount equal to the
14 difference between fifteen million dollars and the amount of the approved loan.
15 Districts qualifying under this subdivision may submit an application for additional
16 funding to the superintendent of public instruction before August 1, 2023.

17 g. A district that qualifies for a loan under subdivision b, which was approved for a
18 loan of up to ten million dollars for a construction project bid after January 1,
19 2021, and before June 30, 2024, may apply for a loan in an amount equal to the
20 difference between thirty million dollars and the amount of the approved loan.
21 Districts qualifying under this subdivision may submit an application for additional
22 funding to the superintendent of public instruction before August 1, 2023.

23 **SECTION 12. LEGISLATIVE MANAGEMENT STUDY - COMPOSITION OF THE STATE**
24 **BOARD OF PUBLIC SCHOOL EDUCATION.**

- 25 1. During the 2023-24 interim, the legislative management shall consider studying the
26 composition of the state board of public school education. The study must include:
- 27 a. An analysis of the state board of public school education boundaries, including a
28 comparison of methodologies for creating the boundaries;
- 29 b. An analysis of the inclusion of representatives from small, large, urban, and rural
30 schools on the board;

- 1 c. An evaluation of term limits for board members, including staggering terms to
2 ensure continuity of knowledge;
 - 3 d. An evaluation of the benefits and consequences of requiring the composition of
4 the board to include two school district superintendents, two members of a board
5 of a school district, and two citizens at large;
 - 6 e. An evaluation of the benefits and consequences of requiring a minimum or
7 maximum number of candidates to be submitted to the governor and permitting
8 the governor to request a new list of potential candidates once; and
 - 9 f. An analysis of the role and practices of the county superintendent of schools.
- 10 2. The legislative management shall report its findings and recommendations, together
11 with any legislation required to implement the recommendations, to the sixty-ninth
12 legislative assembly.

13 **SECTION 13. LEGISLATIVE MANAGEMENT STUDY - SCHOOL CHOICE MODELS.**

- 14 1. During the 2023-24 interim, the legislative management shall study school choice
15 models implemented nationally for kindergarten through grade twelve schools,
16 including charter schools, magnet schools, private schools, voucher systems, and
17 home schools. The study must include input from stakeholders, including public and
18 nonpublic teachers and administrators, parents of students, representatives from the
19 department of public instruction, a representative from the governor's office, and
20 representatives from regional education associations. The study also must include the
21 following, supported by quantitative data:
 - 22 a. A review of regulations implemented by state regulatory agencies to ensure
23 accountability for various school choice models;
 - 24 b. A comparison of nontraditional school choice models implemented by other
25 states;
 - 26 c. An analysis of the impact of enrollment fluctuation, including the impact on state
27 aid;
 - 28 d. A review of the state's student population and enrollment capacity and tuition
29 costs of nonpublic schools; and
 - 30 e. A review of services nonpublic schools are able to offer students with special
31 needs.

1 2. The legislative management shall report its findings and recommendations, together
2 with any legislation required to implement the recommendations, to the sixty-ninth
3 legislative assembly.

4 **SECTION 14. LEGISLATIVE MANAGEMENT STUDY - TEACHER SHORTAGE AND**

5 **MILITARY FAMILY WORKFORCE.** During the 2023-24 interim, the legislative management
6 shall consider studying employer recruitment needs, applicable state regulations, and benefit
7 options for kindergarten through grade twelve educators within the state, including potential
8 barriers to military personnel and spouses teaching in the classroom. The study should identify
9 immediate and long-term public policy strategies to address teacher shortages and support for
10 military families and spouses. The legislative management shall report its findings and
11 recommendations, together with any legislation necessary to implement the recommendations,
12 to the sixty-ninth legislative assembly.

13 **SECTION 15. LEGISLATIVE MANAGEMENT STUDY - VIRTUAL INSTRUCTION IN LIEU**

14 **OF STORM DAYS.** During the 2023-24 interim, the legislative management shall consider
15 studying the feasibility, desirability, and impact of replacing storm days with virtual instruction
16 days. The study must include input from the department of public instruction, public school
17 administrators and teachers, and other stakeholders. The study also must include a review of
18 relevant statutes, plans approved by school boards, and current practices related to storm days.
19 The legislative management shall report its findings and recommendations, together with any
20 legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

21 **SECTION 16. APPROPRIATION - UNIVERSITY OF NORTH DAKOTA - SCHOOL**

22 **TRANSPORTATION STUDY - ONE-TIME FUNDING.** There is appropriated out of any moneys
23 in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000, or so
24 much of the sum as may be necessary, to the university of North Dakota for the purpose of a
25 school transportation study, for the biennium beginning July 1, 2023, and ending June 30, 2025.
26 The funding provided in this section is considered a one-time funding item.

27 **SECTION 17. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - GRANTS**

28 **FOR FREE MEALS.** There is appropriated out of any moneys in the general fund in the state
29 treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be
30 necessary, to the department of public instruction for the purpose of providing grants to school
31 districts to defray the expenses of providing meals, free of charge, for all students enrolled in

1 public or nonpublic school at or below two hundred percent of the federal poverty guideline, for
2 the biennium beginning July 1, 2023, and ending June 30, 2025. The superintendent of public
3 instruction shall develop guidelines and reporting requirements for the grants.

4 **SECTION 18. APPROPRIATION - PUBLIC INSTRUCTION FUND - DEPARTMENT OF**
5 **PUBLIC INSTRUCTION - SCIENCE OF READING - REPORT.** There is appropriated out of any
6 moneys in the public instruction fund in the state treasury, not otherwise appropriated, the sum
7 of \$1,000,000, or so much of the sum as may be necessary, to the department of public
8 instruction for the purpose of supporting professional learning related to the science of reading
9 and implementing systematic direct literacy instruction, for the biennium beginning July 1, 2023,
10 and ending June 30, 2025. The superintendent of public instruction shall collaborate with the
11 regional education associations to ensure continuity of access to science of reading training
12 opportunities and develop support processes to deepen science of reading implementation. The
13 superintendent of public instruction shall provide quarterly reports to the legislative
14 management on the implementation and effectiveness of this appropriation on improving
15 educational outcomes, including the number of teachers trained, an anticipated timeline of
16 results trends, and any results trends available.

17 **SECTION 19. APPROPRIATION - PUBLIC INSTRUCTION FUND - DEPARTMENT OF**
18 **PUBLIC INSTRUCTION - DYSLEXIA IDENTIFICATION TRAINING.** There is appropriated out
19 of any moneys in the public instruction fund in the state treasury, not otherwise appropriated,
20 the sum of \$279,000, or so much of the sum as may be necessary, to the department of public
21 instruction for the purpose of providing training in identification of dyslexia characteristics for the
22 biennium beginning July 1, 2023, and ending June 30, 2025. Each school that instructs
23 students in kindergarten through third grade may apply to the department for funding to train at
24 least one educator in the identification of dyslexia characteristics.

25 **SECTION 20. APPROPRIATION - PUBLIC INSTRUCTION FUND - DEPARTMENT OF**
26 **PUBLIC INSTRUCTION - READING LEARNING PLATFORM TRAINING.** There is
27 appropriated out of any moneys in the public instruction fund in the state treasury, not otherwise
28 appropriated, the sum of \$558,000, or so much of the sum as may be necessary, to the
29 department of public instruction for the purpose of providing training in a reading learning
30 platform approved by the superintendent of public instruction, for the biennium beginning July 1,
31 2023, and ending June 30, 2025.

1 **SECTION 21. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND.**

2 Notwithstanding section 54-44.1-11, if, after the superintendent of public instruction complies
3 with all statutory payment obligations imposed for the 2021-23 biennium, any moneys remain in
4 the integrated formula payments line item in subdivision 1 of section 1 of chapter 13 of the 2021
5 Session Laws, the lesser of \$1,837,000 or the remaining amount must be continued into the
6 2023-25 biennium and the office of management and budget shall transfer this amount into the
7 public instruction fund for the purpose of funding professional learning related to the science of
8 reading and implementing systematic direct literacy instruction, training in identification of
9 dyslexia characteristics, and reading training for kindergarten through grade three teachers as
10 appropriated in this Act.

11 **SECTION 22. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

12 **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and
13 budget shall transfer the sum of \$75,000,000 from the foundation aid stabilization fund to the
14 school construction assistance revolving loan fund during the biennium beginning July 1, 2023,
15 and ending June 30, 2025.

16 **SECTION 23. EFFECTIVE DATE.** Section 7 of this Act becomes effective on July 1, 2024.

17 Section 9 of this Act becomes effective on July 1, 2028.