

**FIRST ENGROSSMENT**

**ENGROSSED HOUSE BILL NO. 1604**

Introduced by

Representatives Murphy, Conmy, Hager, Jonas, Richter, Schreiber-Beck

Senator Barta

1 A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century  
2 Code, relating to the funding of kindergarten through grade twelve school construction; to  
3 provide an appropriation; and to provide an expiration date.

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

5 **SECTION 1.** A new chapter to title 15.1 of the North Dakota Century Code is created and  
6 enacted as follows:

7 **State-funded construction program - Requirements for school district participation.**

8 1. To be eligible for state funding for new school construction under this section, a school  
9 district shall provide to the superintendent of public instruction a report, in the manner  
10 prescribed by the superintendent, demonstrating:

11 a. The cost of renovation of the school district's physical plant exceeds sixty percent  
12 of the cost for new construction.

13 b. For consideration for funding through June 30, 2026, a failed referendum for new  
14 school construction or renovation between July 1, 2021, and July 1, 2025.

15 c. For consideration for funding on July 1, 2026, or after, a failed referendum for  
16 new school construction or renovation that occurred after July 1, 2025.

17 d. The school district has or will obtain the funds required for the school district's  
18 percentage share of construction costs by any means permitted by law, including  
19 a referendum.

20 e. The school district's plan to sufficiently fund maintenance of the new building.

- 1           f. An assessment of the school district's physical plant by an approved engineering  
2           firm, using a form developed by the superintendent of public instruction in  
3           consultation with the architectural firm selected by the superintendent.  
4           g. The assessment of the school district's physical plant by an approved  
5           engineering firm demonstrates renovation or new school construction is an  
6           immediate need.  
7           2. For a school district qualifying for forty percent or more of costs of construction paid by  
8           the state under this section, the school district shall use the approved state  
9           architectural design, unless the school district elects to receive twenty percent of the  
10           costs of construction and select another architectural design according to the  
11           provisions of this chapter.

12           **Reorganization waivers.**

13           The superintendent of public instruction may waive any of the requirements under this  
14           chapter and related rules for school districts reorganizing under chapter 15.1-12 to build a new  
15           school.

16           **Funding rates.**

- 17           1. Except as provided under subsection 2, the percentage of funding the state will  
18           contribute to new school construction is determined by the value of a mill for each  
19           school district as described under this section. If the value of a mill is:  
20           a. Less than five thousand dollars, the state shall pay ninety-five percent of the cost  
21           of new school construction.  
22           b. Five thousand dollars to ten thousand dollars, the state shall pay ninety percent  
23           of the cost of new school construction.  
24           c. More than ten thousand dollars and no more than fifteen thousand dollars, the  
25           state shall pay eighty percent of the cost of new school construction.  
26           d. More than fifteen thousand dollars and no more than twenty-five thousand  
27           dollars, the state shall pay seventy percent of the cost of new school  
28           construction.  
29           e. More than twenty-five thousand dollars and no more than thirty-five thousand  
30           dollars, the state shall pay sixty percent of the cost of new school construction.

- 1           f. More than thirty-five thousand dollars and no more than fifty thousand dollars, the  
2           state shall pay fifty percent of the cost of new school construction.
- 3           g. More than fifty thousand dollars and no more than sixty-five thousand dollars, the  
4           state shall pay forty percent of the cost of new school construction.
- 5           h. More than sixty-five thousand dollars and no more than ninety-five thousand  
6           dollars, the state shall pay twenty percent of the cost of new school construction.
- 7           i. More than ninety-five thousand dollars, the state shall pay five percent of the cost  
8           of new school construction.
- 9           2. A school district eligible for federal funding for school construction may receive up to  
10          twelve and one-half percent of the cost of new school construction under this chapter  
11          after applying for and receiving federal funding.

12          **Selection of architectural firm.**

- 13          1. The superintendent of public instruction shall appoint five individuals to participate in  
14          an evaluation committee to select an architectural firm to perform the responsibilities  
15          under this section. The committee must include a faculty member from the department  
16          of architecture at North Dakota state university and a school district facility manager  
17          from a school district with more than five thousand students.
- 18          2. To be considered for the architectural design program under this section, an  
19          architectural firm shall apply to the superintendent of public instruction in the manner  
20          prescribed by the superintendent. The evaluation committee shall give priority to firms  
21          with:
- 22               a. A committed presence in the state, including at least seventy percent of firm  
23               employees residing in the state and seventy-five percent of the firm's revenue  
24               derived from in-state work.
- 25               b. A successful portfolio of kindergarten through grade twelve construction projects,  
26               including at least five projects successfully completed in the last ten years.
- 27               c. Innovation, including environments created for specific curriculum and anticipated  
28               educational trends.
- 29               d. Positive in-state references.
- 30               e. Demonstrated cost-saving strategies and fiscal responsibility.

1       3. The superintendent of public instruction shall enter a contract with the selected  
2           architectural firm for a term of three years, with renewal of the contract conditioned  
3           upon the committee's evaluation of the firm's performance during the term.

4       4. The architectural firm shall create scalable, cost-effective, and flexible designs for an  
5           elementary school, middle school, high school, and kindergarten through grade twelve  
6           facilities.

7       **Selection of construction managers.**

8       1. The superintendent of public instruction and the selected architectural firm shall select  
9           regional construction managers for construction projects funded under this section.  
10       Priority must be given to regional construction managers having a committed presence  
11       in the state, including at least seventy percent of firm employees residing in the state  
12       and seventy-five percent of the firm's revenue derived from in-state work.

13       2. The architectural firm and the superintendent shall evaluate the performance of  
14       construction managers every three years.

15       **Approval of architectural plans.**

16       The superintendent of public instruction, construction managers, and architectural firm shall  
17       evaluate and approve architectural plans for schools.

18       **Rules.**

19       The superintendent of public instruction shall adopt rules under chapter 28-32 to implement  
20       this chapter.

21       **SECTION 2. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - STATE-**  
22       **FUNDED SCHOOL CONSTRUCTION.** There is appropriated out of any moneys in the general  
23       fund in the state treasury, not otherwise appropriated, the sum of \$600,000,000, or so much of  
24       the sum as may be necessary, to the department of public instruction for the purpose of a new  
25       school building construction grant program, for the biennium beginning July 1, 2025, and ending  
26       June 30, 2027.

27       **SECTION 3. EXPIRATION DATE.** This Act is effective through July 1, 2035, and after that  
28       date is ineffective.